

**INFRASTRUCTURE LOAN AGREEMENT
(CITY AND COUNTY OF SAN FRANCISCO LOW AND MODERATE INCOME
HOUSING ASSET FUND, GENERAL FUNDS, STREET FUNDS, TAX INCREMENT
EXCESS PROCEEDS, AND CERTIFICATES OF PARTICIPATION)**

By and Between

THE CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation, represented by the Mayor,
acting by and through the Mayor's Office of Housing and Community Development,

and

HUNTERS VIEW ASSOCIATES, L.P.,
A California limited partnership,

for

**HUNTER'S VIEW HOPE SF INFRASTRUCTURE PHASE IIIA(2-3)
Middle Point Road at Hare Street, Fairfax Avenue, and Catalina Street**

\$33,903,540

LMIHAF: \$3,000,000

GENERAL FUNDS: \$20,982,916

HOPE SF FUNDS: \$6,500,000

STREET FUNDS: \$420,624

TAX INCREMENT EXCESS PROCEEDS: \$3,000,000

Dated as of [_____]

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EXHIBITS

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- D First Source Hiring Requirements and Numerical Goals
- E Governmental Requirements
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- G Form of HOPE SF Monthly Report
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- O Disposition and Development Agreement For Phase III of Hunters View Housing Development (Phase IIIA(1), Phase IIIA(2), Phase IIIA(3) and Phase IIIB) between SFHA and Hunters View Associates, L.P., dated January 28, 2021
- P Form of Public Improvement Agreement dated [_____], 2021 between Hunters Point Affordable Housing, Inc., a California nonprofit public benefit corporation, and the City and County of San Francisco

INFRASTRUCTURE LOAN AGREEMENT

(City and County of San Francisco
Low and Moderate Income Housing Asset Fund, HOPE SF Funds, General Funds, Street Funds,
and Tax Increment Excess Proceeds)
(Middle Point Road at Hare Street, Fairfax Avenue, and Catalina Street)

THIS INFRASTRUCTURE LOAN AGREEMENT ("Agreement") is entered into as of [_____], by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation (the "City"), represented by the Mayor, acting by and through the Mayor’s Office of Housing and Community Development ("MOHCD"), and **HUNTERS VIEW ASSOCIATES, L.P.**, a California limited partnership ("Borrower").

RECITALS

A. The San Francisco Board of Supervisors designated the Mayor’s Office of Housing and Community Development the Successor Housing Agency of the San Francisco Redevelopment Agency, effective February 1, 2012, upon dissolution of state redevelopment agencies. Pursuant to California Assembly Bill 1484, the Successor Housing Agency was required to create a fund called the Low and Moderate Income Housing Asset Fund (“LMIHAF”) to collect proceeds from former redevelopment agency housing assets transferred to the City and County of San Francisco. Monies in the LMIHAF are derived from loan repayments and other housing asset program income and must be used in accordance with California Redevelopment Law. The funds provided from the LMIHAF under this Agreement shall be referred to herein as “LMIHAF.”

B. On June [XX], 2021, through the Fiscal Year End 2021 through 2022 Annual Appropriation Ordinance [XX-XX], the San Francisco Board of Supervisors appropriated funds from the City’s General Fund to the Mayor’s Office of Housing and Community Development for the redevelopment of public housing and associated infrastructure. The City is authorized by this ordinance to provide a portion of the funds under this Agreement (the “General Fund”) to Borrower for the development of affordable housing and/or associated infrastructure improvements. The funds provided from the General Fund under this Agreement shall be referred to herein as the “General Funds.”

C. Pursuant to Ordinance No. 180-07, adopted by the City's Board of Supervisors on July 24, 2007, approved by the City's Mayor on August 3, 2007, the City created the HOPE SF Fund (the “HOPE SF Funds”) and is authorized to use moneys there to provide financial assistance to the San Francisco Housing Authority ("SFHA") and housing developers for the demolition and construction of public housing in conjunction with affordable housing and market-rate housing, as further specified in the Section 10.100-370 of the San Francisco Administrative Code and the rules and regulations adopted by the City's Board of Supervisors on October 16, 2007, through Resolution No. 556-07, approved by the City's Mayor on October 22, 2007.

D. Pursuant to that certain Memorandum of Understanding between MOHCD and the San Francisco Department of Public Works (“DPW”) dated March 2014 (the “MOU”), DPW has provided funds to MOHCD (the “Street Funds”) generated from DPW’s General Fund budget. Pursuant to the MOU, the City is authorized to distribute the Street Funds under this Agreement for the specific purpose of financing, in part, the design and reconstruction of roadway and new transit improvements along Middle Point Road, Street 1 and Street 2 that are intended to provide safer, more accessible pedestrian access to Muni bus stops and residential units that will be constructed at Hunters View HOPE SF Phase III, all of which is intended to benefit the residents of the Hunters View HOPE SF.

E. On April 19, 2011, the San Francisco Redevelopment Agency and Borrower as Master Developer entered into that certain Phase II-III Rental Tax Increment Loan Agreement (the “2011 Loan Agreement”) pursuant to which it agreed to provide up to \$31,406,982 to Master Developer (the “2011 Loan”) for predevelopment and construction activities for Phases II and III of Hunters View HOPE SF. At the time of the 2011 Loan Agreement, the development and financial structure of Phases II and III of Hunters View HOPE SF were still being determined. As required by Redevelopment Dissolution Law (as defined in Section 1), OCII transferred the 2011 Loan obligation and asset to MOHCD as the designated Successor Housing Agency of the City and County of San Francisco under Board Resolution 11-12. Additionally, as identified in the 2011 Loan Agreement, the excess proceeds from Hunters View Phase II excess proceeds were transferred to MOHCD for use on the development of Hunters View Phase III. These transferred excess proceeds provided under this Agreement shall be referred to herein as “Tax Increment Funds”. Together the LMIHAF, HOPE SF Funds, General Funds, Street Funds, and Tax Increment Funds shall be referred to herein as the “Funds.”

F. Borrower intends to acquire a leasehold interest in the real property located at Middle Point Road at Hare Street, Fairfax Avenue, and Catalina Street, San Francisco, California under a Ground Lease (Hunters View Phase IIIA(2) – Park) dated [_____,] and a Ground Lease (Hunters View Phase IIIA(3) – Streets/Public Rights of Way) dated [_____] (collectively, the “Ground Lease”), each by and between Borrower and the Housing Authority of the City and County of San Francisco (“Ground Lessor”). Borrower desires to use the Funds to complete the Public Infrastructure Improvements (as defined in **Section 1**) and open space improvements on the Site (as defined in **Section 1**), including demolition of existing conditions, mass grading, roadway and utility improvements and the construction of a privately owned publicly accessible park and additional open space improvements, which will be known as Hunter’s View HOPE SF Infrastructure Phase IIIA(2-3). The Project (as defined in **Section 1**) will also include site preparation work, mass grading and construction of utility improvements on Lots 3 and Lot 4 as shown on Final Map No. 9677, collectively also referred to herein as Phase IIIA(1), on which affordable housing will be developed by HV Partners 3, LP, a California limited partnership and an affiliate of Borrower (“HVP3”), in accordance with the Disposition and Development Agreement (as defined in **Section 1**). The Project (as defined in **Section 1**) will also include site preparation work, mass grading and construction of utility improvements on Lots 1, 2, 5, 6 and 7 as shown on Final Map No. 9677, collectively also referred to herein as “Phase IIIB”, on which market rate housing will be developed by an assignee of Borrower, in accordance with the Disposition and Development Agreement (as defined in **Section 1**).

G. The City previously loaned a total of \$9,455,027 (the “Predevelopment Loan”) to fund predevelopment activities associated with Hunters View HOPE SF Phase III and the construction of 53 public housing rental units, 64 additional affordable housing units and one managers unit (the “Residential Project”). The Predevelopment Loan was evidenced by (1) a Loan Agreement dated June 15, 2017 in the amount of the Predevelopment Loan, as amended by that certain First Amendment to the Loan Agreement dated October 4, 2017; and (2) Secured Promissory Note dated October 4, 2019 in favor of the City. In consideration of Borrower assigning some of the Predevelopment Loan funds to the Project, the City has agreed to restructure a portion of the Predevelopment Loan in the amount of \$3,000,000 into a permanent loan for the Project and to amend the Predevelopment Loan and associated Secured Promissory Note to include costs only for the Residential Project.

H. The City has reviewed Borrower's application for Funds and, in reliance on the accuracy of the statements in that application, has agreed to make a loan of Funds to Borrower (the "Loan") in the amount of Thirty-Three Million Nine Hundred Three Thousand Five Hundred Forty and No/100 Dollars (\$33,903,540.00) (the "Funding Amount") under this Agreement to fund certain costs related to the Project. The Funding Amount is comprised of (i) LMIHAF in the amount of One Million Five Hundred Thousand and No/100 Dollars (\$3,000,000.00), (ii) HOPE SF Funds in the amount of Six Million Five Hundred Thousand and No/100 Dollars (\$6,500,000.00), (iii) General Funds in the amount of Twenty Million Nine Hundred Eighty-Two Thousand Nine Hundred Sixteen and No/100 Dollars (\$20,982,916.00), (iv) Street Funds in the amount of Four Hundred Twenty Thousand Six Hundred Twenty-Four and No/100 Dollars (\$420,624.00), and (v) Tax Increment Funds in the amount of Three Million and No/100 Dollars (\$3,000,000.00).

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement, the parties agree as follows:

ARTICLE 1 DEFINITIONS.

1.1 Defined Terms. As used in this Agreement, the following words and phrases have the following meanings:

"Accounts" means all depository accounts, including reserve and trust accounts, required or authorized under this Agreement or otherwise by the City in writing. All Accounts must be maintained in accordance with **Section 2.3.**

"Agency" means the Redevelopment Agency of the City and County of San Francisco.

"Agreement" means this Loan Agreement.

"Agreement Date" means the date first written above.

“Approved Plans” has the meaning set for in **Section 5.2.**

“Approved Specifications” has the meaning set forth in **Section 5.2**.

"Authorizing Resolutions" means: (a) in the case of a corporation, a certified copy of resolutions adopted by its board of directors; (b) in the case of a partnership (whether general or limited), a certificate signed by all of its general partners; and (c) in the case of a limited liability company, a certified copy of resolutions adopted by its board of directors or members, satisfactory to the City and evidencing Borrower's authority to execute, deliver and perform the obligations under the City Documents to which Borrower is a party or by which it is bound.

"Borrower" means Hunters View Associates, L.P., a California limited partnership, whose general partners are JSCo HVA LLC, a California limited liability company, Hunters Point Affordable Housing, Inc., a California nonprofit public benefit corporation, and HV Mafanikio, LLC, a California limited liability company (collectively, the “General Partner”), and its authorized successors and assigns.

"CFR" means the Code of Federal Regulations.

"Charter Documents" means: (a) in the case of a corporation, its articles of incorporation and bylaws; (b) in the case of a partnership, its partnership agreement and any certificate or statement of partnership; and (c) in the case of a limited liability company, its operating agreement and any LLC certificate or statement. The Charter Documents must be delivered to the City in their original form and as amended from time to time and be accompanied by a certificate of good standing for Borrower issued by the California Secretary of State and, if Borrower is organized under the laws of a state other than California, a certificate of good standing issued by the Secretary of State of the state of organization, issued no more than ninety (90) days before the Agreement Date.

"City" means the City and County of San Francisco, a municipal corporation, represented by the Mayor, acting by and through MOHCD. Whenever this Agreement provides for a submission to the City or an approval or action by the City, this Agreement refers to submission to or approval or action by MOHCD unless otherwise indicated.

“City Acceptance” means the City’s acceptance of the Public Infrastructure Improvements for public use and/or maintenance which shall be deemed to have occurred when (i) the Public Infrastructure Improvements, which Borrower, as the assignee of Subdivider pursuant to the Public Improvement Agreement, requests for acceptance have been completed, the City Engineer has issued the Notice of Completion, and the Clerk of the Board of Supervisors certifies all payments have been made in accordance with Section 8 of the Public Improvement Agreement; (ii) the City Engineer has certified to the Board of Supervisors that the Public Infrastructure Improvements have been deemed complete and are ready for their intended use; and (iii) the Board of Supervisors, by ordinance, Accepts the Public Infrastructure Improvements, or portion thereof, for public use, maintenance, and liability purposes in accordance with the provisions of San Francisco Administrative Code Sections 1.51 et seq. and Borrower’s maintenance and warranty obligations under Public Improvement Agreement Sections 7, 9, and 10, as assignee of Subdivider.

"City Documents" means this Agreement, the Note, and any other documents executed or, delivered in connection with this Agreement.

"City Project" has the meaning set forth in **Exhibit E, Section 13(c)**.

"Completion" means the completion of the construction of the Public Infrastructure Improvements and the open space improvements on the Site and the Project in substantial accordance with the Approved Plans and the Approved Specifications, as evidenced by issuance of the City engineer's "Notice of Completion," as defined in the Public Improvement Agreement and, with regard to the construction of Bayview Park, the Department of Building Inspection's approval of the [_____ (Bayview Park permit)].

"Completion Date" has the meaning set forth in **Section 5.6**.

"Construction Contract" has the meaning set forth in **Section 5.2**.

"Contracting Manual" means the Contracting Manual (2006 Amendment) for Federally Funded Construction Projects Financed by the Mayor's Office of Housing, issued by MOHCD on November 18, 2002, as amended on May 22, 2007, as the same may be further amended from time to time.

"Control of the Site" means execution of the Ground Lease by Borrower and the Housing Authority of the City and County of San Francisco as Ground Lessor of the Site.

"Department of Building Inspection" has the meaning set forth in **Section 5.2**.

"Developer Fees" has the meaning set forth in **Section 15.1**.

"Developer Fee Agreement" has the meaning set forth in **Section 15.1**.

"Disbursement" means the disbursement of all or a portion of the Funding Amount by the City as described in **Article 4**.

"Disposition and Development Agreement" or "DDA" means the Disposition and Development Agreement For Phase III of Hunters View Housing Development (Phase IIIA(1), Phase IIIA(2), Phase IIIA(3) and Phase IIIB) between SFHA and Borrower dated January 28, 2021 between the SFHA and Hunters View Associates, L.P. for the HOPE SF Hunters View Phase III master development, as assigned as to Phase IIIA(1) only to HVP3.

"Early Retention Release Contractors" means contractors who will receive retention payments upon satisfaction of requirements set forth in **Section 4.7**.

"Environmental Activity" means any actual, proposed or threatened spill, leak, pumping, discharge, leaching, storage, existence, release, generation, abatement, removal, disposal, handling or transportation of any Hazardous Substance from, under, into or on the Site.

"Environmental Laws" means all present and future federal, state, local and administrative laws, ordinances, statutes, rules and regulations, orders, judgments, decrees,

agreements, authorizations, consents, licenses, permits and other governmental restrictions and requirements relating to health and safety, industrial hygiene or the environment or to any Hazardous Substance or Environmental Activity, including the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (commonly known as the "Superfund" law) (42 U.S.C. §§ 9601 *et seq.*), the Resource Conservation and Recovery Act of 1976, as amended by the Solid Waste and Disposal Act of 1984 (42 U.S.C. §§ 6901 *et seq.*); the National Environmental Policy Act of 1969 ("NEPA") (24 CFR §§ 92 and 24 CFR §§ 58); the California Hazardous Substance Account Act (also known as the Carpenter-Presley-Tanner Hazardous Substance Account Law and commonly known as the "California Superfund" law) (Cal. Health & Safety Code §§ 25300 *et seq.*); and the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65") (Cal. Health & Safety Code §§ 25249.2 *et seq.*); and Sections 25117 and 25140 of the California Health & Safety Code.

"Event of Default" has the meaning set forth in **Section 19.1**.

"Expenditure Request" means a written request by Borrower for a Disbursement from the Funding Amount, which must certify that the Project costs covered by the Expenditure Request have been paid or incurred by Borrower.

"Funding Amount" has the meaning set forth in **Recital G**.

"Funds" has the meaning set forth in **Recital E**.

"GAAP" means generally accepted accounting principles in effect on the date of this Agreement and at the time of any required performance.

"General Partner" means JSCo HVA, LLC, a California limited liability company, as Managing General Partner of Borrower. Hunters Point Affordable Housing, Inc., a California nonprofit public benefit corporation, as Co-General Partner and HV Mafanikio, LLC, a California limited liability company, as Co-General Partner.

"Governmental Agency" means: (a) any government or municipality or political subdivision of any government or municipality; (b) any assessment, improvement, community facility or other special taxing district; (c) any governmental or quasi-governmental agency, authority, board, bureau, commission, corporation, department, instrumentality or public body; or (d) any court, administrative tribunal, arbitrator, public utility or regulatory body.

"Ground Lease" has the meaning set forth in **Recital F**.

"Ground Lessor" has the meaning specified in **Recital F**.

"Hazardous Substance" means any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any Governmental Agency to pose a present or potential hazard to human health or safety or to the environment. Hazardous Substance includes any material or substance listed, defined or otherwise identified as a "hazardous substance," "hazardous waste," "hazardous material," "pollutant," "contaminant," "pesticide" or is listed as a chemical known to cause cancer or reproductive toxicity or is otherwise identified

as "hazardous" or "toxic" under any Environmental Law, as well as any asbestos, radioactive materials, polychlorinated biphenyls and any materials containing any of them, and petroleum, including crude oil or any fraction, and natural gas or natural gas liquids. Materials of a type and quantity normally used in the construction, operation or maintenance of developments similar to the Project will not be deemed "Hazardous Substances" for the purposes of this Agreement if used in compliance with applicable Environmental Laws.

“HOPE SF Monthly Report” has the meaning set forth in **Section 10.2**.

“HSH” means the San Francisco Department of Homelessness and Supportive Housing, or other successor agency.

"HUD" means the United States Department of Housing and Urban Development acting by and through the Secretary of Housing and Urban Development and any authorized agents.

"in balance" means that the sum of undisbursed Funds and any other sources of funds that Borrower has closed or for which Borrower has firm commitments will be sufficient to complete construction of the Project, as determined by the City in its sole discretion.

"Indemnitee" means, individually or collectively, (i) City, including MOHCD and all commissions, departments, agencies and other subdivisions of City; (ii) City's elected officials, directors, officers, employees, agents, successors and assigns; and (iii) all persons or entities acting on behalf of any of the foregoing.

"Land" means the real property owned by Ground Lessor on which the Site is located.

"Laws" means all statutes, laws, ordinances, regulations, orders, writs, judgments, injunctions, decrees or awards of the United States or any state, county, municipality or Governmental Agency.

"Loan" has the meaning set forth in **Recital H**.

"Loss" or "Losses" includes any and all loss, liability, damage, obligation, penalty, claim, action, suits, judgment, fee, cost, expense or charge and reasonable attorneys' fees and costs, including those incurred in an investigation or a proceeding in court or by mediation or arbitration, on appeal or in the enforcement of the City's rights or in defense of any action in a bankruptcy proceeding.

"Maturity Date" has the meaning set forth in **Section 3.1**.

"MOHCD" means the Mayor's Office of Housing and Community Development or its successor.

"Note" means the promissory note executed by Borrower in favor of the City in the original principal amount of the Funding Amount, in form and substance acceptable to the City.

“Notice of Completion” has the meaning set forth in the definition of Completion.

“OCII” means the Office of Community Investment and Infrastructure, a public body, organized and existing under the laws of the State of California and the Successor Agency to the Redevelopment Agency of the City and County of San Francisco.

“Official Records” means the official records of San Francisco County.

“open space improvements” means the construction by Borrower of a privately owned publicly accessible park and other related open space facilities, furniture, fixtures and equipment. All open space improvements on Site shall be built in accordance with the implementing approvals (i.e., the Approved Plans and Approved Specifications) approved by the City, the DDA, and the Public Improvement Agreement, as applicable.

"Opinion" means an opinion of Borrower's California legal counsel, satisfactory to the City and its legal counsel, that Borrower is a duly formed, validly existing California limited partnership in good standing under the laws of the State of California, has the power and authority to enter into the City Documents and will be bound by their terms when executed and delivered, and that addresses any other matters the City reasonably requests.

"Out of Balance" means that the sum of undisbursed Funds and any other sources of funds that Borrower has closed or for which Borrower has firm commitments will not be sufficient to complete acquisition/construction/rehabilitation of the Project, as determined by the City in its sole discretion.

"Permitted Exceptions" means liens in favor of the City, real property taxes and assessments that are not delinquent, and any other liens and encumbrances the City expressly approves in writing in its escrow instructions.

"Project" means the development described in **Recital F**. If indicated by the context, "Project" means the Site and the Public Infrastructure Improvements and open space improvements developed on the Site.

“Public Improvement Agreement” means the agreement attached as **Exhibit P** between Subdivider and the City, providing for the construction and installation of the Public Infrastructure Improvements on the Site. The Public Improvement Agreement provides that Subdivider may assign its rights and obligations thereunder to Borrower and/or to HVP3, provided that thereafter Borrower, HVP3, and Subdivider will be jointly and severally liable for such assigned obligations.

“Public Infrastructure Improvements” or “PII” shall mean the facilities, both on- and off-Site, to be improved, constructed and dedicated to the City by Borrower or Subdivider as part of the Project. Public Infrastructure Improvements include streets within the Project, sidewalks (and associated street trees), furniture, fixtures and equipment, Public Stormwater Management Improvements, all public utilities within the public right of way (such as electricity, water, street lights, pedestrian lights, joint trenches and sewer lines but excluding any non-municipal utilities),

bicycle lanes and paths in the public right of way, off-site intersection improvements (including, but not limited to, curbs, medians, signaling, traffic controls devices, signage, and striping), and SFMTA infrastructure. All Public Infrastructure Improvements on Site shall be built in accordance with the implementing approvals (i.e., the Approved Plans and Approved Specifications) approved by the City, the DDA, and the Public Improvement Agreement, as applicable. Sufficient construction bonds or guarantees, based on the amount required to complete the Public Infrastructure Improvements as determined from the approved Street Improvement Plans for Hunters View HOPE SF Phase III must also be submitted as required by the City consistent with the Subdivision Map Act and the San Francisco Subdivision Code.

“Redevelopment Dissolution Law” means by operation of law pursuant to California Health and Safety Code Sections 34170 *et seq.*, on February 1, 2012, the State of California dissolved all redevelopment agencies, including the Agency. Under the authority of the Redevelopment Dissolution Law and under San Francisco Ordinance No. 215-12 (Oct. 4, 2012) (establishing the Successor Agency Commission and delegating to it state authority under the Redevelopment Dissolution Law), OCII is administering the enforceable obligations of the former Agency.

"Retention" has the meaning set forth in **Section 4.7**.

“SBE Manual” means that certain Small Business Enterprise Program manual dated July 1, 2015, as the same may be amended from time to time.

"Senior Lien" has the meaning set forth in **Section 22.1**.

"SFHA" means the San Francisco Housing Authority.

"Site" means the real property upon which Borrower will build the Public Infrastructure Improvements and open space improvements as more particularly described in **Exhibit A**.

"Subdivider" means the Hunters Point Affordable Housing, Inc., a California nonprofit public benefit corporation. Subdivider is the subdividing party pursuant the Public Improvement Agreement and is the co-general partner of Borrower.

"Table" means the Table of Sources and Uses.

"Table of Sources and Uses" means a table of sources and uses of funds attached hereto as **Exhibit A**, including a line item budget for the use of the Funding Amount, which table may not be adjusted without the City’s prior written approval.

“Work Product” has the meaning set forth in **Section 22.21**.

“Workforce MOU” means that certain Interagency Memorandum of Understanding dated January 20, 2011 between Agency, SFHA, MOHCD, the Mayor’s Office of Economic and Workforce Development for the Hunters View Development Project Contract/Workforce Compliance, Workforce Development and Training, which is **Exhibit N** to the DDA.

1.2 Interpretation. The following rules of construction will apply to this Agreement and the other City Documents.

(a) The masculine, feminine or neutral gender and the singular and plural forms include the others whenever the context requires. The word "include(s)" means "include(s) without limitation" and "include(s) but not limited to," and the word "including" means "including without limitation" and "including but not limited to" as the case may be. No listing of specific instances, items or examples in any way limits the scope or generality of any language in this Agreement. References to days, months and years mean calendar days, months and years unless otherwise specified. References to a party mean the named party and its successors and assigns.

(b) Headings are for convenience only and do not define or limit any terms. References to a specific City Document or other document or exhibit mean the document, together with all exhibits and schedules, as supplemented, modified, amended or extended from time to time in accordance with this Agreement. References to Articles, Sections and Exhibits refer to this Agreement unless otherwise stated.

(c) Accounting terms and financial covenants will be determined, and financial information must be prepared, in compliance with GAAP as in effect on the date of performance. References to any Law, specifically or generally, will mean the Law as amended, supplemented or superseded from time to time.

(d) The terms and conditions of this Agreement and the other City Documents are the result of arms'-length negotiations between and among sophisticated parties who were represented by counsel, and the rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not apply to the construction and interpretation of the City Documents. The language of this Agreement must be construed as a whole according to its fair meaning.

1.3 Contracting Manual. Borrower shall use the Contracting Manual as a guide to Borrower's responsibilities under Laws and regulations regarding soliciting, awarding and administering contracts associated with projects assisted by federal funds and some City funds. In the event of a conflict between the terms of the Contracting Manual and this Agreement, the terms of the Agreement shall prevail.

ARTICLE 2 FUNDING.

2.1 Funding Amount. The City agrees to lend to Borrower a maximum principal amount equal to the Funding Amount in order to finance the Public Infrastructure Improvements and open space improvements on the Site. The Funding Amount will be disbursed according to the terms and subject to the conditions set forth in this Agreement.

2.2 Use of Funds. Borrower acknowledges that the City's agreement to make the Loan is based in part on Borrower's agreement to use the Funds solely for the purpose set forth in

Section 2.1 and agrees to use the Funds solely for that purpose in accordance with the approved Table of Sources and Uses. Notwithstanding anything to the contrary contained herein, City will not approve expenditure of Funds for expenses incurred by Borrower prior to January 1, 2016.

2.3 Accounts; Interest. Each Account to be maintained by Borrower under this Agreement must be held in a bank or savings and loan institution acceptable to the City as a segregated account that is insured by the Federal Deposit Insurance Corporation or other comparable federal insurance program. Any interest earned on funds in any Account must be used for the benefit of the Project.

2.4 Records. Borrower must maintain and provide to the City upon request records that accurately and fully show the date, amount, purpose and payee of all expenditures from each Account authorized under this Agreement or by the City in writing and keep all estimates, invoices, receipts and other documents related to expenditures from each Account. In addition, Borrower must provide to the City promptly following Borrower's receipt, complete copies of all monthly bank statements, together with a reconciliation, for each Account until all funds (including accrued interest) in each Account have been disbursed for eligible uses.

2.5 Conditions to Additional Financing. The City may grant or deny any application by Borrower for additional financing for the Project in its sole discretion.

ARTICLE 3 TERMS. Borrower's repayment obligations with respect to the Funding Amount will be evidenced and governed by the Note, which will govern in the event of any conflicting provision in this Agreement.

3.1 Maturity Date. Borrower must repay all amounts owing under the City Documents on the thirtieth (30th) anniversary of MOHCD authorization of the issuance of the Notice to Proceed for the Project (the "Maturity Date"). Notwithstanding the foregoing, Borrower's Loan repayment obligations may be satisfied, at Borrower's election, when all of the following have occurred: (a) issuance of the Notice of Completion of the Project, (b) Department of Building Inspection's approval of the permit for open space improvements at Bayview Park, and (c) delivery of the completed Public Infrastructure Improvements at the time of City Acceptance.

3.2 [Intentionally Omitted.]

3.3 Interest. The outstanding principal balance of the Loan will bear simple interest at a rate of twenty-five hundredths of a percent (.25%) per annum, as provided in the Note.

3.4 Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, the principal balance of the Loan will bear interest at the default interest rate set forth in the Note, with such default interest rate commencing as of the date an Event of Default occurs and continuing until such Event of Default is fully cured. In addition, the default interest rate will apply to any amounts to be reimbursed to the City under any City Document if not paid when due or as otherwise provided in any City Document.

3.5 Repayment of Principal and Interest. The outstanding principal balance of the Loan, together with all accrued and unpaid interest, if any, will be due and payable on the Maturity Date according to the terms set forth in full in the Note.

3.6 [Intentionally Omitted].

3.7 [Intentionally Omitted].

3.8 Additional City Approvals. Borrower understands and agrees that City is entering into this Agreement in its proprietary capacity and not as a regulatory agency with certain police powers. Borrower understands and agrees that neither entry by City into this Agreement nor any approvals given by City under this Agreement shall be deemed to imply that Borrower will obtain any required approvals from City departments, boards or commissions which have jurisdiction over the Property. By entering into this Agreement, City is in no way modifying or limiting the obligations of Borrower to develop the Property in accordance with all local laws. Borrower understands that any development of the Property shall require approvals, authorizations and permits from governmental agencies with jurisdiction over the Property, which may include, without limitation, the San Francisco City Planning Commission and the San Francisco Board of Supervisors. Notwithstanding anything to the contrary in this Agreement, no party is in any way limiting its discretion or the discretion of any department, board or commission with jurisdiction over the Project, including but not limited to a party hereto, from exercising any discretion available to such department, board or commission with respect thereto, including but not limited to the discretion to (i) make such modifications deemed necessary to mitigate significant environmental impacts, (ii) select other feasible alternatives to avoid such impacts, including the "No Project" alternative; (iii) balance the benefits against unavoidable significant impacts prior to taking final action if such significant impacts cannot otherwise be avoided, or (iv) determine not to proceed with the proposed Project.

ARTICLE 4 CLOSING; DISBURSEMENTS.

4.1 Generally. Subject to the terms of this Agreement, the City will make Disbursements in an aggregate sum not to exceed the Funding Amount to or for the account of Borrower in accordance with this Agreement and the approved line item budget contained in the Table of Sources and Uses.

4.2 Closing. In the event Borrower does not satisfy all of the conditions to closing within a reasonable time, as determined by the City in its sole discretion, the City may declare this Agreement to be null and void.

4.3 Conditions Precedent to Closing. The City will authorize the close of the Loan upon satisfaction of the conditions in this Section.

(a) Borrower must have delivered to the City fully executed (and for documents to be recorded, acknowledged) originals of the following documents, in form and substance satisfactory to the City: (i) the Note; (ii) this Agreement (in duplicate); (iii) the

Opinion; (iv) the Authorizing Resolutions; (v) the Developer Fee Agreement; and (vi) any other City Documents reasonably requested by the City.

(b) Borrower must have delivered to the City: (i) Borrower's Charter Documents.

(c) Borrower must have delivered to the City insurance endorsements and, if requested by the City, copies of policies for all insurance required under **Exhibit G** of this Agreement.

(d) The City must have reviewed and approved the Ground Lease.

(e) Borrower must have completed a parking study to the City's satisfaction.

(f) The Predevelopment Loan and associated Secured Promissory Note must be amended to reflect a reduction in the principal amount due of \$3,000,342.

4.4 Disbursements. The City's obligation to approve any expenditure of Funds after Loan closing is subject to Borrower's satisfaction of the following conditions precedent.

(a) Borrower must have delivered to the City an Expenditure Request in form and substance satisfactory to the City, together with: (i) copies of invoices, contracts or other documents covering all amounts requested; (ii) a line item breakdown of costs to be covered by the Expenditure Request; and (iii) copies of checks issued to pay expenses covered in the previous Expenditure Request. The City may grant or withhold its approval of any line item contained in the Expenditure Request that, if funded, would cause it to exceed the budgeted line item as previously approved by the City. Additionally, the City must approve all requested reallocations of Funds for line items previously approved by the City.

(b) No Event of Default, or event that with notice or the passage of time or both could constitute an Event of Default, may have occurred that remains uncured as of the date of the Expenditure Request.

(c) With respect to any Expenditure Request that covers rehabilitation or construction costs, Borrower must have certified to the City that the Project complies with the labor standards set forth in **Exhibit B, Section 1**, if applicable.

(d) With respect to any Expenditure Request that covers travel expenses, Borrower's travel expenses must be reasonable and must comply with the following:

(i) Lodging, meals and incidental expenses shall not exceed the then-current per diem rates set forth by the United States General Services Administration for the County of San Francisco found at: <https://www.gsa.gov/portal/category/104711>.

(ii) Air transportation expenses must use fares for coach-class accommodations, provided that purchases for air travel must occur no less than one week before the travel day.

(iii) If ground transportation is required, the City urges the use of public transit or courtesy shuttles if provided by a lodging. If courtesy transportation is not provided by a lodging, ground transportation expenses for travel to or from regional airports must not exceed Fifty Dollars (\$50.00) each way. Other ground transportation expenses must not exceed then-current San Francisco taxi rates found at: <https://www.sfmta.com/getting-around/taxi/taxi-rates>. Ground transportation must not include any expenses for luxury transportation services, such as a limousine, or any expenses related to travel to or from Project site meetings by Borrower's employees.

(iv) Miscellaneous travel expenses must not exceed Fifty Dollars (\$50.00) without prior written approval of the City.

(v) Any Expenditure Request for travel expenses must include supporting documentation, including, without limitation, original itemized receipts showing rates and cost, air travel itinerary, proof of payment, and any written justification requested by the City.

For the purpose of this Section, the terms "lodging," "meals" and "incidental expenses" shall have the same meanings defined in 41 CFR Part 300-3; the term "coach-class" shall have the same meaning defined in 41 CFR Part 301-10.121(a); and the term "miscellaneous" means copying services, printing services, communication services, or other services reasonably related to travel for the Project and approved by the City.

(e) The Loan must be in balance.

4.5 Loan In Balance. To the extent that the Project is financed with multiple funding sources, the City may require Borrower to pay certain costs incurred in connection with the Project from sources of funds other than the Loan at any time the City determines that the Loan is out of balance. When the City is satisfied that the Loan is again in balance, the City will recommence making Disbursements for Expenditure Requests meeting the conditions set forth above.

4.6 Retention. In addition to the other conditions to Disbursements, Borrower acknowledges that the amount of hard costs included in any Expenditure Request associated with rehabilitation or construction, when added to previously approved costs, may not exceed ninety percent (90%) of the approved budgeted costs on a line item basis. The remaining ten percent (10%) of approved budgeted hard costs associated with rehabilitation or construction will be held by the City and/or other Project lenders (the "Retention") and may be released only upon satisfaction of all requirements listed in the Construction Manager's Checklist for Release of Retention included in the Contracting Manual and as follows:

(a) Early Retention Release. After fifty percent (50%) of the rehabilitation or construction of the Project is complete as determined by the City, Borrower may submit a written request to the City to release up to fifty percent (50%) of the Retention, provided that the following prerequisites have been met: (i) all work required to be performed by all parties for whom the City agrees to release the Retention (the “Early Retention Release Contractors”) has been completed in conformance with the terms of the applicable contract documents, the plans and specifications approved by the City and all applicable Laws; (ii) the applicable Early Retention Release Contractors have filed unconditional lien waivers satisfactory to the City; (iii) no liens or stop notices have been filed against the Project and no claims are pending; (iv) the City determines that the contingency is in balance and adequate to complete the Project; (v) the Project is on schedule, and (vi) Expenditure Requests will not exceed 95% of the approved budgeted costs on a line item basis.

(b) Retention Release After Project Completion. Borrower may request disbursement of the remaining percentage amount of the Retention only upon the satisfaction of each of the following conditions, unless otherwise approved in writing by the City: (i) completion of rehabilitation or construction of the Project in accordance with the plans and specifications approved by the City, as evidenced by a certification provided by the relevant inspecting and/or approving City governmental agency for such portion of the Project, and an architect's or engineer's certificate of completion; (ii) timely recordation of a notice of completion; and (iii) either expiration of the lien period and the absence of any unreleased mechanics' liens or stop notices or recordation of the lien releases of all contractors, subcontractors and suppliers who provided labor or materials for the Project.

4.7 Limitations on Approved Expenditures. The City may refuse to approve any expenditure: (a) during any period in which an event that, with notice or the passage of time or both, would constitute an Event of Default remains uncured, or during the pendency of an uncured Event of Default; or (b) for disapproved, unauthorized or improperly documented expenses. The City is not obligated to approve expenditure of the full Funding Amount unless approved Expenditure Requests support disbursement of the full Funding Amount, and in no event may the aggregate amount of all Funds disbursed to Borrower under this Agreement exceed the Funding Amount.

ARTICLE 5 DEMOLITION, REHABILITATION OR CONSTRUCTION.

5.1 Selection Requirements. In the selection of all contractors and professional consultants for the Project, Borrower must comply with the City’s procurement requirements and procedures as described in the Contracting Manual and with the requirements of the Small Business Enterprise Program (“SBE Program”) as set forth in the SBE Manual according to the procedures established by the City's Contract Monitoring Division.

5.2 Plans and Specifications. Before starting any demolition, rehabilitation or construction on the Site, Borrower must have delivered to the City, and the City must have reviewed and approved, plans and specifications and the construction contract for the Project entered into between Borrower and Borrower's general contractor and approved by the City (the "Construction Contract"). The plans approved by the City must also be approved by the City and County of San Francisco's Department of Building Inspection (the "Department of Building Inspection") (collectively, the "Approved Plans") which Approved Plans shall be consistent with the requirements of the Master Infrastructure Plan and the Public Improvement Agreement, prior to the start of any demolition, rehabilitation or construction on the Site. The Approved Plans must be explicitly identified in the Construction Contract. The specifications approved by the City, including the funder requirements and the technical specifications (the "Approved Specifications") must also be explicitly identified in the Construction Contract. The Construction Contract may include funder requirements not otherwise addressed in the Approved Specifications. The Contracting Manual provides further guidance to Borrower regarding the City's policies for the review and approval of plans, specifications and construction contracts. After completion of the Project, Borrower must retain the Approved Plans as well as "as-built" plans for the Project, the Approved Specifications and the Construction Contract, all of which Borrower must make available to the City upon request, and submitted to DPW consistent with the requirements of the Public Improvement Agreement.

5.3 Change Orders. Borrower may not approve or permit any change orders to the Approved Specifications without the City's prior written consent. Borrower must provide adequate and complete justification for analysis of any change order request to the City. The City will provide any questions, comments or requests for additional information to Borrower within five (5) business days of receipt of a change order request. City will review and approve or disapprove of a change order request within ten (10) business days of a complete submission by Borrower. Borrower acknowledges that the City's approval of any change order will not constitute an agreement to amend the Table of Sources and Uses or to provide additional Funds for the Project, unless the City agrees in its sole discretion to amend the Table of Sources and Uses or provide additional Funds for that purpose.

5.4 Insurance, Bonds and Security. Before starting any demolition, rehabilitation or construction on the Site, Borrower must deliver to the City insurance endorsements and bonds as described in **Exhibit G**. At all times, Borrower must take prudent measures to ensure the security of the Site.

5.5 Notice to Proceed. No demolition, rehabilitation or construction may commence until Borrower has issued a written notice to proceed with the City's approval, which approval shall be provided in writing upon completion of items listed in the Notice To Proceed Checklist.

5.6 Commencement and Completion of Project. Unless otherwise extended in writing by the City, Borrower must: (a) commence demolition, rehabilitation or construction of the Public Infrastructure Improvements by a date no later than [October 1, 2021]; (b) complete demolition, rehabilitation or construction of the Public Infrastructure Improvements and open space improvements on the Site by a date no later than [October 1, 2023], in accordance with the Approved Plans and Approved Specifications, as evidenced by issuance of a Notice of

Completion or equivalent certification provided by the City's Department of Building Inspection, and an architect's or engineer's certificate of completion (the "Completion Date"), and; (c) obtain City Acceptance of the Project by no later than five (5) years after completion of the Residential Project.

5.7 Rehabilitation/Construction Standards. All rehabilitation or construction must be performed in a first class manner, substantially in accordance with final plans and specifications approved by the City and in accordance with all applicable codes.

ARTICLE 6 [INTENTIONALLY OMITTED].

ARTICLE 7 [INTENTIONALLY OMITTED].

ARTICLE 8 MAINTENANCE AND MANAGEMENT OF THE PROJECT.

Prior to City Acceptance of the Public Infrastructure Improvements, Borrower, as assignee of Subdivider under the Public Improvement Agreement, shall be responsible for the care, sweeping, maintenance and repair of the Public Infrastructure Improvements consistent with the requirements of the Public Improvement Agreement; provided, however, the costs for all such obligations shall be included as Project costs to be funded by City to Borrower, subject to Borrower's compliance with all requirements necessary to apply for, secure and continue to receive such funding from the City consistent with the terms included in Exhibit O of the Disposition and Development Agreement and in this Agreement. Following City Acceptance, the City shall assume the responsibility of maintaining the Public Infrastructure Improvements consistent with the terms of the Public Improvement Agreement.

ARTICLE 9 GOVERNMENTAL APPROVALS AND REQUIREMENTS.

9.1 Approvals. Borrower covenants that it has obtained or will obtain in a timely manner and comply with all federal, state and local governmental approvals required by Law to be obtained for the Project. Subject to **Section 17.2**, this Section does not prohibit Borrower from contesting any interpretation or application of Laws in good faith and by appropriate proceedings.

9.2 Borrower Compliance. Borrower must comply, and where applicable, require its contractors to comply, with all applicable Laws governing the use of Funds for the construction, rehabilitation and/or operation of the Project, including those set forth in **Exhibit C** and **Exhibit G**. Borrower acknowledges that its failure to comply with any of these requirements will constitute an Event of Default under this Agreement.

9.3 Additional Federal Requirements. If Borrower obtains any federal funds with respect to its acquisition of Control of the Site or the construction of the Project or any other project thereon, Borrower shall comply with the requirements specified in this Section.

(a) Compliance With Laws. Borrower agrees to abide by all applicable Laws, including HUD regulations, pertaining to this Agreement and to any contracts pertaining to the Project. In the event HUD formally amends, waives or repeals any HUD administrative regulation previously applicable to Borrower's performance under this Agreement, MOHCD expressly reserves the right, upon giving notice to HUD and Borrower, to require Borrower's performance as though the regulation were not amended, waived or repealed, subject only to written and binding objection by HUD.

(b) Drug-Free Workplace. Borrower acknowledges that under the Federal Drug-Free Workplace Act of 1988 (41 U.S.C. §§ 701 et seq.), the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited on its premises. Borrower agrees that any violation of this prohibition by Borrower, its employees, agents or assigns will be deemed an Event of Default under this Agreement.

(c) Restrictions on Lobbying Activities.

(i) This Agreement is subject to 31 U.S.C. Section 1352, which provides in part that, with specified exceptions, no appropriated funds may be expended by the recipient of a federal contract, grant, loan or cooperative agreement to pay any person for influencing, or attempting to influence, an officer or employee of any agency, a member of Congress, an officer or employee of Congress or an employee of a member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.

(ii) If the Funding Amount exceeds \$100,000, Borrower must file with MOHCD at or prior to the date of this Agreement and promptly after the occurrence of any change in the facts certified or disclosed:

(A) a certification substantially the same as that attached hereto as Exhibit E, and otherwise, in form and content satisfactory to the City and to HUD, that Borrower, its employees, officers and agents have not made, and will not make, any payment prohibited by Subsection (i) above; and

(B) a disclosure form, Federal Standard Form-LLL, "Disclosure of Lobbying Activities," if Borrower, its employees, officers or agents have made or agreed to make any payment using funds from a source other than the funds that would be prohibited under Subsection (i) above if payment were made with funds. The City will file the disclosure form with HUD and retain the certification for the City's records as required by Law.

(d) Debarment or Suspension. Borrower must certify in form and content substantially the same as that attached hereto as Exhibit E that neither it nor any of its principals is listed by the General Services Administration as debarred, suspended, ineligible or voluntarily excluded from receiving the funds on the Agreement Date. In addition, Borrower will review the list to ensure that any contractor or subcontractor who bids for a contract in excess of \$100,000 is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities in addition to obtaining the certification of each contractor or subcontractor whose bid is accepted.

ARTICLE 10 PROJECT MONITORING, REPORTS, BOOKS AND RECORDS.

10.1 Generally.

(a) Borrower understands and agrees that it will be monitored by the City from time to time to assure compliance with all terms and conditions in this Agreement and all Laws. Borrower acknowledges that the City may also conduct periodic on-site inspections of the

Project. Borrower must cooperate with the monitoring by the City and ensure full access to the Project and all information related to the Project as reasonably required by the City.

(b) Borrower must keep and maintain books, records and other documents relating to the receipt and use of all Funds, including all documents evidencing any Project Income and Project Expenses. Borrower must maintain records of all income, expenditures, assets, liabilities, contracts, operations, tenant eligibility and condition of the Project. All financial reports must be prepared and maintained in accordance with GAAP as in effect at the time of performance.

(c) Borrower must provide written notice of the replacement of its executive director, director of housing development, director of property management and/or any equivalent position within thirty (30) days after the effective date of such replacement.

10.2 Monthly Reporting. Borrower must submit monthly reports (the “HOPE SF Monthly Report”) in the form attached hereto as Exhibit F describing progress toward developing the Project with respect to obtaining necessary approvals from other City departments, procuring architects, consultants and contractors, changes in scope, cost or schedule and significant milestones achieved in the past month and expected to be achieved in the coming month. The HOPE SF Monthly Report must be submitted by email in substantially the form to be found in the Contracting Manual until such time as the Project Completion Report is submitted to the City pursuant to **Section 10.5** below.

10.3 [Intentionally Omitted].

10.4 [Intentionally Omitted].

10.5 Project Completion Report. Within the specific time periods set forth below after the completion of the Public Infrastructure Improvements and open space improvements, Borrower must provide to the City the reports listed below certified by Borrower to be complete and accurate. Subsequent to the required submission of the reports listed below, Borrower must provide to the City information or documents reasonably requested by the City to assist in the City’s review and analysis of the submitted reports:

(a) within ninety (90) days after the Completion Date, a draft cost certification (or other similar project audit performed by an independent certified public accountant identifying the sources and uses of all Project funds including the Funds;

(b) compliance with all reporting requirements of the Workforce MOU within the time frames and in the forms required of Borrower pursuant to the Workforce MOU; and

(c) within one hundred-eighty (180) days after the Completion Date, a report on use of Small Disadvantaged Business Enterprises as defined in the SBE Manual, including the type of work and the dollar value of such work.

10.6 Response to Inquiries. At the request of the City, its agents, employees or attorneys, Borrower must respond promptly and specifically to questions relating to the income, expenditures, assets, liabilities, contracts, operations and condition of the Project, the status of any mortgage encumbering the Project and any other requested information with respect to Borrower or the Project.

10.7 Delivery of Records. At the request of the City, made through its agents, employees, officers or attorneys, Borrower must provide the City with copies of each of the following documents, certified in writing by Borrower to be complete and accurate:

(a) all tax returns filed with the United States Internal Revenue Service, the California Franchise Tax Board and/or the California State Board of Equalization on behalf of Borrower and any general partner or manager of Borrower;

(b) all certified financial statements of Borrower and, if applicable, its general partner or manager, the accuracy of which must be certified by an auditor satisfactory to the City; and

(c) any other records related to Borrower's ownership structure and the use and occupancy of the Site.

10.8 Access to the Project and Other Project Books and Records. In addition to Borrower's obligations under **Sections 2.4, 10.1, 10.2, 10.5, 10.6 and 10.7** and any other obligations to provide reports or maintain records in any City Document, Borrower agrees that duly authorized representatives of the City will have: (a) access to the Project throughout the Compliance Term to monitor the progress of work on the Project and compliance by Borrower with the terms of this Agreement; and (b) access to and the right to inspect, copy, audit and examine all books, records and other documents Borrower is required to keep at all reasonable times, following reasonable notice, for the retention period required under **Section 10.9**.

10.9 Records Retention. Borrower must retain all records required for the periods required under applicable Laws.

ARTICLE 11 [INTENTIONALLY OMITTED].

ARTICLE 12 [INTENTIONALLY OMITTED].

ARTICLE 13 [INTENTIONALLY OMITTED].

ARTICLE 14 [INTENTIONALLY OMITTED].

ARTICLE 15 DEVELOPER FEES.

15.1 Amount. The City has approved the payment of development fees from the Loan to Borrower in an amount not to exceed One Million Six Hundred Eight Thousand Five Hundred Twenty-Six and No/100 Dollars (\$1,608,526.00) for developing the Project (“Developer Fees”), subject to the terms and conditions of the Infrastructure & Master Planning Developer Fee Agreement by and between the City and Borrower relating to the Project.

ARTICLE 16 TRANSFERS.

16.1 Permitted Transfers/Consent. Borrower may not cause or permit any voluntary transfer, assignment or encumbrance of its interest in the Site or Project or of any ownership interests in Borrower, or lease or permit a sublease on all or any part of the Project, other than: (a) security interests for the benefit of lenders securing loans for the Project as approved by the City on terms and in amounts as approved by City in its reasonable discretion. Any other transfer, assignment, encumbrance or lease without the City's prior written consent will be voidable and, at the City's election, constitute an Event of Default under this Agreement. The City's consent to any specific assignment, encumbrance, lease or other transfer will not constitute its consent to any subsequent transfer or a waiver of any of the City's rights under this Agreement.

ARTICLE 17 INSURANCE AND BONDS; INDEMNITY.

17.1 Borrower's Insurance. Subject to approval by the City's Risk Manager of the insurers and policy forms, Borrower must obtain and maintain, or cause to be obtained and maintained, insurance and bonds as set forth in **Exhibit F** from the date of this Agreement until City Acceptance.

17.2 Borrower's Indemnity Obligations. Borrower must indemnify, protect, defend and hold harmless each of the Indemnitees from and against any and all Losses arising out of: (a) any default by Borrower in the observance or performance of any of Borrower's obligations under the City Documents (including those covenants set forth in **Article 18** below); (b) any failure of any representation by Borrower to be correct in all respects when made; (c) injury or death to persons or damage to property or other loss occurring on or in connection with the Site or the Project, whether caused by the negligence or any other act or omission of Borrower or any other person or by negligent, faulty, inadequate or defective design, building, construction, rehabilitation or maintenance or any other condition or otherwise; (d) any claim of any surety in connection with any bond relating to the construction or rehabilitation of any improvements or offsite improvements; (e) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee that relates to or arises out of the City Documents, the Loan, the Site or the Project or any transaction contemplated by, or the relationship between Borrower and the City or any action or inaction by

the City under, the City Documents; (f) the occurrence, until City Acceptance, of any Environmental Activity or any failure of Borrower or any other person to comply with all applicable Environmental Laws relating to the Project or the Site; (g) the occurrence, after City Acceptance, of any Environmental Activity resulting directly or indirectly from any Environmental Activity occurring before City Acceptance; (h) any liability of any nature arising from Borrower's contest of or relating to the application of any Law, including any contest permitted under **Sections 9.1, 9.2 and 18.2**; or (i) any claim, demand or cause of action, or any investigation, inquiry, order, hearing, action or other proceeding by or before any Governmental Agency, whether meritorious or not, that directly or indirectly relates to, arises from or is based on the occurrence or allegation of any of the matters described in clauses (a) through (h) above, *provided that* no Indemnitee will be entitled to indemnification under this Section for matters caused solely by its own gross negligence or willful misconduct.

17.3 Duty to Defend. Borrower acknowledges and agrees that its obligation to defend the Indemnitees under **Section 17.2**: (a) is an immediate obligation, independent of its other obligations hereunder; (b) applies to any Loss which actually or potentially falls within the scope of **Section 17.2**, regardless of whether the allegations asserted in connection with such Loss are or may be groundless, false or fraudulent; and (c) arises at the time the Loss is tendered to Borrower by the Indemnitee and continues at all times thereafter. In the event any action or proceeding is brought against an Indemnitee by reason of a claim arising out of any Loss for which Borrower has indemnified the Indemnitees, upon written notice, Borrower must answer and otherwise defend the action or proceeding using counsel approved in writing by the Indemnitee at Borrower's sole expense. Each Indemnitee will have the right, exercised in its sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt, demand, suit or judgment against the Indemnitee in connection with the matters covered by this Agreement. The Indemnitee must give Borrower prompt notice of any Loss and Borrower has the right to defend, settle and compromise any such Loss; provided, however, that the Indemnitee has the right to retain its own counsel at the expense of Borrower if representation of such Indemnitee by the counsel retained by Borrower would be inappropriate due to conflicts of interest between such Indemnitee and Borrower. An Indemnitee's failure to notify Borrower promptly of any Loss does not relieve Borrower of any liability to such Indemnity under **Section 17.2**, unless such failure materially impairs Borrower's ability to defend such Loss. Borrower must seek the Indemnified Party's prior written consent to settle or compromise any Loss if Borrower contends that such Indemnitee shares in liability with respect thereto.

17.4 No Limitation. Borrower's obligations under **Section 17.2** are not limited by the insurance requirements under this Agreement.

17.5 Survival. The provisions of this Section will survive the repayment of the Loan and/or termination of this Agreement.

ARTICLE 18 HAZARDOUS SUBSTANCES.

18.1 Borrower's Representations. Borrower represents and warrants to the City that, to the best of Borrower's actual knowledge, without independent investigation or inquiry as of the

Agreement Date, the following statements are true and correct except as disclosed otherwise in writing: (a) the Site is not in violation of any Environmental Laws; (b) the Site is not now, nor has it been, used for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Substances, except in limited quantities customarily used in residences and offices and in compliance with Environmental Laws; (c) the Site does not consist of any landfill or contain any underground storage tanks; (d) the improvements on the Site do not consist of any asbestos-containing materials or building materials that contain any other Hazardous Substances; (e) no release of any Hazardous Substances in the improvements on the Site has occurred or in, on, under or about the Site; and (f) the Site is not subject to any claim by any Governmental Agency or third party related to any Environmental Activity or any inquiry by any Governmental Agency (including the California Department of Toxic Substances Control and the Regional Water Quality Control Board) with respect to the presence of Hazardous Substances in the improvements on the Site or in, on, under or about the Site, or the migration of Hazardous Substances from or to other real property.

18.2 Covenant. Unless the City otherwise consents in writing, at all times from and after the date of this Agreement, at its sole expense, Borrower must: (a) comply with all applicable Environmental Laws relating to the Site and the Project, and not engage in or otherwise permit the occurrence of any Environmental Activity in violation of any applicable Environmental Laws or that is not customary and incidental to the intended use of the Site, *provided that* nothing contained in this Section will prevent Borrower from contesting, in good faith and by appropriate proceedings, any interpretation or application of Environmental Laws; and (b) deliver to the City notice of the discovery by Borrower of any event rendering any representation contained in this Section incorrect in any respect promptly following Borrower's discovery.

ARTICLE 19 DEFAULT.

19.1 Event of Default. Any material breach by Borrower of any covenant, agreement, provision or warranty contained in this Agreement or in any of the City Documents that remains uncured upon the expiration of any applicable notice and cure periods contained in any City Document will constitute an "Event of Default," including the following:

(a) Borrower fails to make any payment required under this Agreement within ten (10) days after the date when due; or

(b) Any lien is recorded against all or any part of the Site or the Project without the City's prior written consent, and the lien is not removed from title or otherwise remedied to the City's satisfaction within thirty (30) days after Borrower's receipt of written notice from the City to cure the default, or, if the default cannot be cured within a 30-day period, Borrower will have sixty (60) days to cure the default, or any longer period of time deemed necessary by the City, *provided that* Borrower commences to cure the default within the 30-day period and diligently pursues the cure to completion; or

(c) Borrower fails to perform or observe any other term, covenant or agreement contained in any City Document, and the failure continues for thirty (30) days after

Borrower's receipt of written notice from the City to cure the default, or, if the default cannot be cured within a 30-day period, Borrower will have sixty (60) days to cure the default, or any longer period of time deemed necessary by the City, *provided that* Borrower commences to cure the default within the 30-day period and diligently pursues the cure to completion; or

(d) Any representation or warranty made by Borrower in any City Document proves to have been incorrect in any material respect when made; or

(e) All or a substantial or material portion of the improvements on the Site is damaged or destroyed by fire or other casualty, and the City has determined that the repair, restoration or replacement of the Public Infrastructure Improvements and open space improvements on the Site is not economically practicable, or such repair, restoration or replacement is not completed within two (2) years of the receipt of insurance proceeds; or all or a substantial or material portion of the improvements is condemned, seized or appropriated by any non-City Governmental Agency or subject to any action or other proceeding instituted by any non-City Governmental Agency for any purpose with the result that the improvements cannot be operated for their intended purpose; or

(f) Borrower is dissolved or liquidated or merged with or into any other entity; or, if Borrower is a corporation, partnership, limited liability company or trust, Borrower ceases to exist in its present form and (where applicable) in good standing and duly qualified under the laws of the jurisdiction of formation and California for any period of more than ten (10) days; or, if Borrower is an individual, Borrower dies or becomes incapacitated; or all or substantially all of the assets of Borrower are sold or otherwise transferred except as permitted under **Section 16.1**; or

(g) Without the City's prior written consent, Borrower assigns or attempts to assign any rights or interest under any City Document, whether voluntarily or involuntarily, except as permitted under **Section 16.1**; or

(h) Without the City's prior written consent, Borrower voluntarily or involuntarily assigns or attempts to sell, lease, assign, encumber or otherwise transfer all or any portion of the ownership interests in Borrower or of its right, title or interest in the Project or the Site except as permitted under **Article 16**; or

(i) Without the City's prior written consent, Borrower transfers, or authorizes the transfer of, funds in any Account required or authorized under this Agreement; or

(j) Borrower is subject to an order for relief by the bankruptcy court, or is unable or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors; or Borrower applies for or consents to the appointment of any receiver, trustee or similar official for Borrower or for all or any part of its property (or an appointment is made without its consent and the appointment continues undischarged and unstayed for sixty (60) days); or Borrower institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceeding relating to Borrower or to all or any part of its

property under the laws of any jurisdiction (or a proceeding is instituted without its consent and continues undismissed and unstayed for more than sixty (60) days); or any judgment, writ, warrant of attachment or execution or similar process is issued or levied against the Site, the improvements or any other property of Borrower and is not released, vacated or fully bonded within sixty (60) days after its issue or levy; or

(k) Any material adverse change occurs in the financial condition or operations of Borrower, such as a loss of services funding or rental subsidies, that has a material adverse impact on the Project; or

(l) Borrower fails to make any payments or disbursements required to bring the Loan in balance after the City determines that the Loan is out of balance; or

(m) Borrower is in default of its obligations with respect to the Ground Lease (but only after the Ground Lease has been executed) or any funding obligation (other than the Loan) for the Project, and the default remains uncured following the expiration of any applicable notice and cure periods; or

(n) Borrower is in default of its obligations under any other agreement entered into with the City and County of San Francisco, and the default remains uncured following the expiration of any applicable notice and cure periods.

19.2 Remedies. During the pendency of an uncured Event of Default, the City may exercise any right or remedy available under this Agreement or any other City Document or at law or in equity. All of the City's rights and remedies following an Event of Default are cumulative, including:

(a) The City at its option may declare the unpaid principal balance of the Note, together with default interest as provided in the Note and any other charges due under the Note and the other City Documents, immediately due and payable without protest, presentment, notice of dishonor, demand or further notice of any kind, all of which Borrower expressly waives.

(b) The City at its option may terminate all commitments to make Disbursements, or, without waiving the Event of Default, the City may determine to make further Disbursements upon terms and conditions satisfactory to the City in its sole discretion.

(c) The City may perform any of Borrower's obligations in any manner, in the City's reasonable discretion.

(d) The City, either directly or through an agent or court-appointed receiver, may take possession of the Project and enter into contracts and take any other action the City deems appropriate to complete or construct all or any part of the improvements, subject to modifications and changes in the Project the City deems appropriate.

(e) The City may apply to any court of competent jurisdiction for specific performance, or an injunction against any violation, of this Agreement or for any other remedies or actions necessary or desirable to correct Borrower's noncompliance with this Agreement.

(f) Upon the occurrence of an Event of Default described in **Section 19.1(k)**, the unpaid principal balance of the Note, together with default interest as provided in the Note and any other charges due under the Note and the other City Documents, will become due and payable automatically.

(g) All costs, expenses, charges and advances of the City in exercising its remedies or to protect the Project will be deemed to constitute a portion of the principal balance of the Note, even if it causes the principal balance to exceed the face amount of the Note, unless Borrower reimburses the City within ten (10) days of the City's demand for reimbursement.

19.3 Force Majeure. The occurrence of any of the following events will excuse performance of any obligations of the City or Borrower rendered impossible to perform while the event continues: strikes; lockouts; labor disputes; acts of God; inability to obtain labor, materials or reasonable substitutes for either; governmental restrictions, regulations or controls; judicial orders; enemy or hostile governmental actions; civil commotion; fire or other casualty and other causes beyond the control of the party obligated to perform. The occurrence of a force majeure event will excuse Borrower's performance only in the event that Borrower has provided notice to the City within thirty (30) days after the occurrence or commencement of the event or events, and Borrower's performance will be excused for a period ending thirty (30) days after the termination of the event giving rise to the delay.

19.4 City's Recourse. The City's recourse against Borrower following an Event of Default is limited as set forth more specifically in the Note.

ARTICLE 20 REPRESENTATIONS AND WARRANTIES.

20.1 Borrower Representations and Warranties. As a further inducement for the City to enter into this Agreement, Borrower represents and warrants as follows:

(a) The execution, delivery and performance of the City Documents will not contravene or constitute a default under or result in a lien (other than the lien created by the City Documents) upon assets of Borrower under any applicable Law, any Charter Document of Borrower or any instrument binding upon or affecting Borrower, or any contract, agreement, judgment, order, decree or other instrument binding upon or affecting Borrower.

(b) When duly executed and delivered, the City Documents will constitute the legal, valid and binding obligations of Borrower in accordance with their respective terms. Borrower hereby waives any defense to the enforcement of the City Documents related to alleged invalidity of the City Documents.

(c) No action, suit or proceeding is pending or, to the best of Borrower's knowledge, threatened that might affect Borrower or the Project adversely in any material respect.

(d) Borrower is not in material default under any agreement to which it is a party, including any lease of real property.

(e) None of Borrower, Borrower's principals or Borrower's general contractor has been suspended or debarred by the Department of Industrial Relations or any Governmental Agency, nor has Borrower, any of its principals or its general contractor been suspended, disciplined or prohibited from contracting with any Governmental Agency.

(f) The Loan is in balance, and the Funding Amount, together with all other committed sources of financing for the Project, are sufficient to complete the Project in accordance with this Agreement.

(g) All statements and representations made by Borrower in connection with the Loan remain true and correct as of the date of this Agreement.

(h) Borrower is duly organized and in good standing under applicable laws of the State of California and is qualified to do business with the City and County of San Francisco.

ARTICLE 21 NOTICES.

21.1 Written Notice. All notices required by this Agreement must be made in writing and may be communicated by personal delivery, by a nationally recognized courier that obtains receipts, facsimile (if followed within one (1) business day by first class mail) or by United States certified mail, postage prepaid, return receipt requested. Delivery will be deemed complete as of the earlier of actual receipt (or refusal to accept proper delivery) or five (5) days after mailing, *provided that* any notice that is received after 5 p.m. on any day or on any weekend or holiday will be deemed to have been received on the next succeeding business day. Notices must be addressed as follows:

To the City: Mayor's Office of Housing and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: Director

To Borrower: Hunters View Associates, L.P.
c/o The John Stewart Company
1388 Sutter Street, 11th Floor
San Francisco, CA 94109
Attn: President

or any other address a party designates from time to time by written notice sent to the other party in manner set forth in this Section.

21.2 Required Notices. Borrower agrees to provide notice to the City in accordance with **Section 21.1** of the occurrence of any change or circumstance that: (a) will have an adverse effect on the physical condition or intended use of the Project; (b) causes the Loan to be out of balance; or (c) will have a material adverse effect on Borrower's operation of the Property or ability to repay the Loan.

ARTICLE 22 GENERAL PROVISIONS.

22.1 [Intentionally Omitted.]

22.2 No Third Party Beneficiaries. Nothing contained in this Agreement, nor any act of the City, may be interpreted or construed as creating the relationship of third party beneficiary, limited or general partnership, joint venture, employer and employee, or principal and agent between the City and Borrower or Borrower's agents, employees or contractors.

22.3 No Claims by Third Parties. Nothing contained in this Agreement creates or justifies any claim against the City by any person or entity with respect to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the Project. Borrower must include this requirement as a provision in any contracts for the development of the Project.

22.4 Entire Agreement. This Agreement and its Exhibits incorporate the terms of all agreements made by the City and Borrower with regard to the subject matter of this Agreement. No alteration or variation of the terms of this Agreement will be valid unless made in writing and signed by the parties hereto. No oral understandings or agreements not incorporated herein will be binding on the City or Borrower.

22.5 City Obligations. The City's sole obligation under this Agreement is limited to providing the Funds as described in this Agreement, up to the Funding Amount. Under no circumstances, including breach of this Agreement, will the City be liable to Borrower for any special or consequential damages arising out of actions or failure to act by the City in connection with any of the City Documents.

22.6 Borrower Solely Responsible. Borrower is an independent contractor with the right to exercise full control of employment, direction, compensation and discharge of all persons assisting in the performance contemplated under this Agreement. Borrower is solely responsible for: (a) its own acts and those of its agents, employees and contractors and all matters relating to their performance, including compliance with Social Security, withholding and all other Laws governing these matters and requiring that contractors include in each contract that they will be solely responsible for similar matters relating to their employees; (b) any losses or damages incurred by Borrower, any of its contractors or subcontractors and the City and its officers, representatives, agents and employees on account of any act, error or omission of Borrower in the performance of this Agreement or any other City Document and the development and operation of the Project; and (c) all costs and expenses relating to Borrower's performance of obligations under the City Documents, the delivery to the City of documents,

information or items under or in connection with any of the City Documents and taxes, fees, costs or other charges payable in connection with the execution, delivery, filing and/or recording of any City Document or document required under any City Document.

22.7 No Inconsistent Agreements. Borrower warrants that it has not executed and will not execute any other agreement(s) with provisions materially contradictory or in opposition to the provisions of this Agreement.

22.8 Inconsistencies in City Documents. In the event of any conflict between the terms of this Agreement and any other City Document, the terms of this Agreement control unless otherwise stated; *provided, however*, that any provision in this Agreement in conflict with any Law will be interpreted subject to that Law.

22.9 Governing Law. This Agreement is governed by California law without regard to its choice of law rules.

22.10 Joint and Several Liability. If Borrower consists of more than one person or entity, each is jointly and severally liable to the City for the faithful performance of this Agreement.

22.11 Successors. Except as otherwise limited herein, the provisions of this Agreement bind and inure to the benefit of the undersigned parties and their heirs, executors, administrators, legal representatives, successors and assigns. This provision does not relieve Borrower of its obligation under the City Documents to obtain the City's prior written consent to any assignment or other transfer of Borrower's interests in the Loan, the Site or the ownership interests in Borrower.

22.12 Attorneys' Fees. If any legal action is commenced to enforce any of the terms of this Agreement or rights arising from any party's actions in connection with this Agreement, the prevailing party will have the right to recover its reasonable attorneys' fees (including allocated fees of the City Attorney's Office) and costs of suit from the other party, whether incurred in a judicial, arbitration, mediation or bankruptcy proceeding or on appeal. For the purposes of this Agreement, reasonable fees of attorneys in the City Attorney's office will be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter of law for which the City Attorney's services were rendered, who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the City Attorney's Office. An award of attorneys' fees and costs will bear interest at the default rate under the Note from the date of the award until paid.

22.13 Severability. The invalidity or unenforceability of any one or more provisions of this Agreement will in no way affect any other provision.

22.14 Time. Time is of the essence in this Agreement. Whenever the date on which an action must be performed falls on a Saturday, Sunday or federal holiday, the date for performance will be deemed to be the next succeeding business day.

22.15 Further Assurances. Borrower agrees to: (a) pursue in an effective and continuous manner; (b) use best efforts to achieve; and (c) take all actions reasonably required by the City from time to time to confirm or otherwise carry out the purpose of this Agreement.

22.16 Binding Covenants. The provisions of the City Documents constitute covenants running with the land and will be binding upon Borrower and Borrower's successors and assigns, and all parties having or acquiring any right, title or interest in whatever form, including leasehold interests (other than Tenants and approved commercial tenants), in or to any part of the Property, except that the same will terminate and become void automatically at the expiration of the Compliance Term of this Agreement. Any attempt to transfer any right, title or interest in the Property in violation of these covenants will be void.

22.17 Consent. Except as expressly provided otherwise, whenever consent or approval of a party is required in any City Document, that party agrees not to withhold or delay its consent or approval unreasonably.

22.18 Counterparts. This Agreement may be executed in any number of counterparts, all of which will constitute but one agreement.

22.19 Borrower's Personnel. The Project shall be implemented only by competent personnel under the direction and supervision of Borrower.

22.20 Borrower's Board of Directors. Borrower, or Borrower's manager or general partner, as applicable, shall at all times be governed by a legally constituted and fiscally responsible board of directors. Such board of directors shall meet regularly and maintain appropriate membership, as established in the bylaws and other governing documents of Borrower, Borrower's manager or Borrower's general partner, as applicable, and shall adhere to applicable provisions of federal, state and local laws governing nonprofit corporations. Such board of directors shall exercise such oversight responsibility with regard to this Agreement as is necessary to ensure full and prompt performance by Borrower of its obligations under this Agreement.

22.21 Ownership of Results. Any interest of Borrower or any sub-borrower, in drawings, plans, specifications, studies, reports, memoranda, computation sheets, the contents of computer diskettes, or other documents or Publications prepared by or on behalf of Borrower or any sub-borrower in connection with this Agreement, the implementation of the Project, the services to be performed under this Agreement, or acquired through the use of any Loan proceeds ("Work Product"), is hereby pledged to City as security for Borrower's obligations under this Agreement and the Note, and upon an Event of Default, shall become the property of and be promptly transmitted by Borrower to the City. Notwithstanding the foregoing, Borrower may retain and use copies for reference and as documentation of its experience and capabilities.

This Agreement constitutes a security agreement under the California Uniform Commercial Code, as it may be amended from time to time, and Borrower authorizes City to file any financing statements City elects and deems necessary to perfect its security interest in the Work Product.

22.22 Works for Hire. If, in connection with this Agreement or the implementation of the Project, Borrower or any sub-borrower creates artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, source codes or any other original works of authorship or Publications, such creations shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such creations shall be the property of the City. If it is ever determined that any such creations are not works for hire under applicable law, Borrower hereby assigns all copyrights thereto to the City, and agrees to provide any material, execute such documents and take such other actions as may be necessary or desirable to effect such assignment. With the prior written approval of the City, Borrower may retain and use copies of such creations for reference and as documentation of its experience and capabilities. Borrower shall obtain all releases, assignments or other agreements from sub-borrowers or other persons or entities implementing the Project to ensure that the City obtains the rights set forth in this Section.

22.23 Exhibits. The following exhibits are attached to this Agreement and incorporated by reference:

EXHIBITS

- A Legal Description of Site
- B Table of Sources & Uses
- C Reserved
- D First Source Hiring Requirements and Numerical Goals
- E Governmental Requirements
- F Lobbying/Debarment Certification Form
- G Form of HOPE SF Monthly Report
- H Reserved
- I Reserved
- J Reserved
- K Reserved
- L Insurance Requirements
- M Reserved
- N Interagency Workforce MOU
- O Disposition and Development Agreement For Phase III of Hunters View Housing Development (Phase IIIA(1), Phase IIIA(2), Phase IIIA(3) and Phase IIIB) between SFHA and Hunters View Associates, L.P., dated January 28, 2021
- P Form of Public Improvement Agreement dated [_____], 2021 between Hunters Point Affordable Housing, Inc., a California nonprofit public benefit corporation, and the City and County of San Francisco

IN WITNESS WHEREOF, the parties hereto have executed this Agreement at San Francisco, California as of the date first written above.

THE CITY:

Hunters View Associates, L.P.,
a California limited partnership

CITY AND COUNTY OF SAN
FRANCISCO, a municipal corporation

By: JSCo HVA LLC, a California limited
liability company, its managing general
partner

By: _____
London N. Breed
Mayor

By: John Stewart Company, a California
corporation, its managing member

By: _____
Eric D. Shaw
Director, Mayor's Office of Housing
and Community Development

By: _____
Jack D. Gardner
President

APPROVED AS TO FORM:

By: HUNTERS POINT AFFORDABLE
HOUSING, INC., a California nonprofit
public benefit corporation, Co-General
Partner

DENNIS J. HERRERA
City Attorney

By: _____
Regina Coleman
President

By: _____
Deputy City Attorney

By: HV MAFANIKIO LLC, a California limited
liability company, its co-general partner

By: Devine & Gong, Inc., a California
corporation, its managing member

By: _____
Chan U Lee
President

EXHIBIT A
Legal Description of Site

The land referred to is situated in the County of San Francisco, City of San Francisco, State of California, and is described as follows:

Lot 10, as shown on Final Map No. 5461, filed for record in the Office of the Recorder of the City and County of San Francisco, State of California on December 23, 2010 in Book DD of Survey Maps, Pages 90 through 97, inclusive.

Assessor's Lot 032 (formerly Lot 003); Block 4624

EXHIBIT B
Table of Sources & Uses

**CITY LOAN ONLY
MOHCD CONSTRUCTION LOAN**

Application Date: 4/20/19
 Project Name: Hunters View Phase III Infrastructure
 Project Address: 112 Middle Point Road
 Project Sponsor: The John Stewart Co/Ridgepoint/Devine & Gong

SOURCES	20,982,916	3,000,000	6,500,000	3,000,000	420,624	-	Total Sources		Comments
							33,903,540		
General Funds		Predev Infrastructure Funds	HOPE SF General Funds	OCII	Streets Bond				

USES

ACQUISITION

Name of Sources:	20,982,916	3,000,000	6,500,000	3,000,000	420,624	-	33,903,540	
Acquisition cost or value								0
Legal / Closing costs / Broker's Fee								0
Holding Costs								0
Transfer Tax								0
TOTAL ACQUISITION	0	0	0	0	0	0	0	0

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab								0
Commercial Shell Construction								0
Demolition		1,115,501						1,115,501
Environmental Remediation								0
Onsite Improvements/Landscaping								0
Bayview Park	0			2,976,064				2,976,064
Infrastructure Improvements	12,994,019		5,954,399	23,936	420,624			19,392,978
Detention Basin	375,000							375,000
GC Bond Premium/GC Insurance/GC Taxes								0
GC Overhead & Profit								0
GC General Conditions								0
<i>Sub-total Construction Costs</i>	<i>13,369,019</i>	<i>1,115,501</i>	<i>5,954,399</i>	<i>3,000,000</i>	<i>420,624</i>	<i>0</i>	<i>23,859,543</i>	
MINHC Allowance for Cost Coverruns								0
Bid Contingency (remove at bid)								0
Plan Check Contingency (remove/reduce during Plan Review)								0
Hard Cost Construction Contingency	1,939,297							1,939,297
<i>Sub-total Construction Contingencies</i>	<i>1,939,297</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,939,297</i>	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
TOTAL CONSTRUCTION COSTS	15,308,316	1,115,501	5,954,399	3,000,000	420,624	0	25,798,840	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+

SOFT COSTS

Architecture & Design								
Architect design fees	546,436	975,555						1,521,991
Design Subconsultants to the Architect (incl. Fees)								0
Architect Construction Admin								0
Reimbursables								0
Additional Services								0
<i>Sub-total Architect Contract</i>	<i>546,436</i>	<i>975,555</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,521,991</i>	
Other Third Party design consultants (not included under Architect contract)								0
Total Architecture & Design	546,436	975,555	0	0	0	0	1,521,991	
Engineering & Environmental Studies								
Survey	48,000							48,000
Geotechnical studies	144,595	15,405						160,000
Testing/Special Inspections	48,000							48,000
Other Sub-Consultants	335,000							335,000
Dust Control	1,878,335	121,665						2,000,000
Utility Engineering	139,724							139,724
Demo Soft Costs								0
Total Engineering & Environmental Studies	2,593,654	137,070	0	0	0	0	2,730,724	
Financing Costs								
Construction Financing Costs								
Construction Loan Origination Fee								0
Construction Loan Interest								0
Title & Recording								0
CDLAC & CDIAC fees								0
Bond Issuer Fees								0
Other Bond Cost of Issuance								0
Other: Lender Cost								0
<i>Sub-total Const. Financing Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Permanent Financing Costs								
Permanent Loan Origination Fee								0
Credit Entrance & Appl. Fee								0
Title & Recording								0
<i>Sub-total Perm. Financing Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total Financing Costs	0	0	0	0	0	0	0	0
Legal Costs								
Borrower Legal fees	192,000							192,000
Land Use / CEQA Attorney fees								0
Tax Credit Counsel								0
Bond Counsel								0
Construction Lender Counsel								0
Permanent Lender Counsel								0
Other: Lender Cost								0
Total Legal Costs	192,000	0	0	0	0	0	0	192,000
Other Development Costs								
Appraisal								0
Market Study								0
Insurance		545,601						545,601
Property Taxes								0
Accounting / Audit								0
Organizational Costs								0
Entitlement / Permit Fees	65,674	174,326						240,000
Marketing / Rent-up								0
Furnishings								0
PGE / Utility Fees								0
TCAC App / Alloc / Monitor Fees								0
Financial Consultant fees								0
Construction Management fees / Owner's Rep	290,978	69,022						360,000
Security during Construction	60,000							60,000
Relocation								0
Interim Conditions Before Vertical Start	461,000							461,000
Interim Conditions Before City Acceptance	34,200							34,200
Total Other Development Costs	911,852	243,348	545,601	0	0	0	0	1,700,801
Soft Cost Contingency								
Contingency (Arch, Eng, Fin, Legal & Other Dev)	350,658							350,658
TOTAL SOFT COSTS	4,594,600	1,355,973	545,601	0	0	0	0	6,496,174

RESERVES

Operating Reserves								0
Replacement Reserves								0
Tenant Improvements Reserves								0
Subsidy Transition Reserve								0
Commercial Operating Reserve								0
Other (specify)								0
TOTAL RESERVES	0	0	0	0	0	0	0	0

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	1,080,000	528,526						1,608,526
Developer Fee - Cash-out At Risk								0
Developer Fee - GP Equity (also show as source)								0
Developer Fee - Deferred (also show as source)								0
Development Consultant Fees								0
Other: Commercial Developer Fee								0
TOTAL DEVELOPER COSTS	1,080,000	528,526	0	0	0	0	0	1,608,526

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	20,982,916	3,000,000	6,500,000	3,000,000	420,624	0	33,903,540	
Development Cost/Unit as % of TDC by Source								

Acquisition Cost/Unit by Source

Construction Cost (inc Const Contingency)/Unit By Source								
Construction Cost (inc Const Contingency)/SF	147.25	10.73	57.28	28.86	4.05	0.00	248.16	

* Possible non-eligible GO Bond/COP Amount:

City Subsidy/Unit	545,601							-34,200
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Tax Credit Equity Pricing:

Construction Bond Amount:	3,369,340.00
Construction Loan Term (in months):	14.00
Construction Loan Interest Rate (as %):	0.25

EXHIBIT C
Reserved

EXHIBIT D
First Source Hiring Requirements and Numerical Goals

Borrower's use of Funds triggers the following hiring requirements imposed by the City's First Source Hiring Ordinance (San Francisco Administrative Code Chapter 83) as incorporated into MOHCD's Section 3 Plan.

1. Section 3 Requirements.

(a) The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. § 1701u ("Section 3"), based on Borrower's receipt of City funds under MOHCD's Section 3 Plan. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3 be directed to low-and very low-income persons, particularly persons who are recipients of HUD assistance for housing, to the greatest extent feasible.

(b) The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

(c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and to post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference and set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions and the qualifications for each, the name and location of the person(s) taking applications for each of the positions and the anticipated date work will begin.

(d) The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135 and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

(e) The contractor will certify that any vacant employment positions, including training positions, that are filled: (i) after the contractor is selected but before the contract is executed; and (ii) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

(f) Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default and debarment or suspension from future HUD assisted contracts.

2. Recommended Minimum Numerical Goals. Contractors may demonstrate compliance with the "greatest extent feasible" requirement of Section 3 by meeting the numerical goals set forth below for training, employment and contracting opportunities to Section 3 residents and Section 3 business concerns, which represent minimum numerical goals.

(a) Training and Employment of Section 3 Residents (24 CFR § 135.30(b)). Contractors and subcontractors may demonstrate compliance by committing to employ Section 3 residents as thirty percent (30%) of the aggregate number of new hires (full-time employees for permanent, temporary or seasonal employment) and an overall goal of thirty percent (30%) of total work hours for the entire project.

(b) Contracts with Section 3 Business Concerns (24 CFR § 135.30). Contractors and subcontractors may demonstrate compliance with the requirements of this part by committing to award to Section 3 business concerns:

(i) At least ten percent (10%) of the total dollar amount of all Section 3 covered contracts for building trades work arising in connection with housing rehabilitation, housing construction and other public construction; and

(ii) At least three percent (3%) of the total dollar amount of all other Section 3 covered contracts.

EXHIBIT E
Governmental Requirements

1. **Prevailing Wages.** Every contract for the rehabilitation or construction of housing assisted with Funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. §§ 276a-276a-5), to all laborers and mechanics employed in the development of any part of the housing, and contracts involving their employment will be subject to the provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-332). The prevailing wage requirements of this Section apply to all laborers and mechanics employed in the development of the Project.

2. **Environmental Review.** The Project must meet the requirements of the California Environmental Quality Act (Cal. Pub. Res. Code §§ 2100 *et seq.*) and implementing regulations.

3. **Conflict of Interest.**

(a) Except for approved eligible administrative or personnel costs, no employee, agent, consultant, officer or official of Borrower or the City who exercises or has exercised any function or responsibilities with respect to activities assisted by Funds, in whole or in part, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in or benefit from the activities assisted under this Agreement, or have an interest, direct or indirect, in any contract, subcontract or agreement with respect thereto, or in the proceeds thereunder either for himself/herself or for those with whom he/she has family or business ties, during his/her tenure and for one year thereafter. In order to carry out the purpose of this Section, Borrower must incorporate, or cause to be incorporated, in all contracts, subcontracts and agreements relating to activities assisted under the Agreement, a provision similar to that of this Section. Borrower will be responsible for obtaining compliance with conflict of interest provisions by the parties with whom it contracts and, in the event of a breach, Borrower must take prompt and diligent action to cause the breach to be remedied and compliance to be restored.

(b) Borrower represents that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of the San Francisco Campaign and Governmental Conduct Code, and Sections 1090 through 1097 and 87100 *et seq.* of the California Government Code, all of which relate to prohibited conflicts of interest in connection with government contracts. Borrower certifies that it knows of no facts that constitute a violation of any of these provisions and agrees to notify the City immediately if Borrower at any time obtains knowledge of facts constituting a violation.

(c) In the event of any violation of the conflict of interest prohibitions, Borrower agrees that the City may refuse to consider any future application for funding from Borrower or any entity related to Borrower until the violation has been corrected to the City's satisfaction, in the City's sole discretion.

4. Disability Access. Borrower must comply with all applicable disability access Laws, including the Americans With Disabilities Act (42 U.S.C. §§ 1201 *et seq.*), Section 504 of the Rehabilitation Act (29 U.S.C. § 794) and the Fair Housing Amendments Act (42 U.S.C. §§ 3601 *et seq.*). Borrower is responsible for determining which disability access Laws apply to the Project, including those applicable due to the use of Funds. In addition, before occupancy of the Project, Borrower must provide to the City a written reasonable accommodations policy that indicates how Borrower will respond to requests by disabled individuals for accommodations in Units and common areas of the Project.

5. Lead-Based Paint. Borrower must satisfy the requirements of Chapter 36 of the San Francisco Building Code ("Work Practices for Exterior Lead-Based Paint") and the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4821 *et seq.*) and implementing regulations at 24 CFR part 35. Borrower must also comply with the provisions contained in 17 CCR 350000 *et seq.*, and 8 CCR 1532.1 and all other applicable Laws governing lead-based hazards.

6. Relocation. Borrower must meet any applicable requirements of the California Relocation Assistance Act (Cal. Gov. Code §§ 7260 *et seq.*) and implementing regulations in Title 25, Chapter 6 of the California Administrative Code and similar Laws.

7. Interagency Workforce MOU. The use of Funds for the Project triggers compliance with the Interagency Workforce MOU. To ensure compliance with those requirements, Borrower must include the provisions attached as **Exhibit N** and the Interagency Workforce MOU attached as **Exhibit N** in its contract with the general contractor for the Project. Borrower will be responsible to the City for ensuring compliance with the requirements listed on **Exhibit N** and the requirements of the Interagency Workforce MOU.

8. Non-Discrimination in City Contracts and Benefits Ordinance.

(a) Borrower Shall Not Discriminate. In the performance of this Agreement, Borrower agrees not to discriminate against any employee, City and County employee working with Borrower or any subcontractor, applicant for employment with Borrower or any subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services or membership in all business, social or other establishments or organizations operated by Borrower on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, height, weight, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(b) Subcontracts. Borrower shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code. Borrower's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(c) Non-Discrimination in Benefits. Borrower does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) Condition to Contract. As a condition to this Agreement, Borrower shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure the approval of the executed form by the San Francisco Contract Monitoring Division.

(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B ("Nondiscrimination in Contracts") and 12C ("Nondiscrimination in Property Contracts") of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Borrower shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the Administrative Code, including the remedies provided in such Chapters. Without limiting the foregoing, Borrower understands that pursuant to Sections 12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this

Agreement may be assessed against Borrower and/or deducted from any payments due Borrower.

9. MacBride Principles. Pursuant to San Francisco Administrative Code Section 12F.5, City urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Borrower acknowledges and agrees that he or she has read and understood this Section.

10. Tropical Hardwood & Virgin Redwood Ban. Pursuant to § 804(b) of the San Francisco Environment Code, City urges all grantees and borrowers not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

11. Preservative-Treated Wood Containing Arsenic. Borrower may not purchase preservative-treated wood products containing arsenic unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Borrower may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Borrower from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

12. Submitting False Claims; Monetary Penalties. Any borrower, grantee, contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. A borrower, grantee, contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the borrower, grantee, contractor, subcontractor or consultant:

(a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval;

(b) knowingly makes, uses or causes to be made or used a false record or statement to get a false claim paid or approved by the City;

(c) conspires to defraud the City by getting a false claim allowed or paid by the City;

(d) knowingly makes, uses or causes to be made or used a false record or statement to conceal, avoid or decrease an obligation to pay or transmit money or property to the City; or

(e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

13. Sunshine Ordinance.

(a) Borrower acknowledges and agrees that this Agreement and the Application Documents are subject to Section 67.24(e) of the San Francisco Administrative Code, which provides that contracts, including this Agreement, grantee's bids, responses to Requests for Proposals (RFPs) and all other records of communications between City and persons or entities seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in such Section 67.24(e) (as it exists on the date hereof) requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. All information provided by Borrower that is covered by such Section 67.24(e) (as it may be amended from time to time) will be made available to the public upon request. Further, Borrower specifically agrees that any meeting of the governing body of its general partner/manager that addresses any matter relating to the Project or to Borrower's performance under this Agreement will be conducted as a passive meeting.

(b) By executing this Agreement, Borrower agrees to comply with the provisions of Chapter 12L of the San Francisco Administrative Code to the extent applicable.

(c) In accordance with the Citizen's Right to Know Act of 1998 (S. F. Admin. Code Chapter 79), no officer, department, board or commission of the City may approve a City Project, as defined in Chapter 79, unless a sign has been posted on the applicable property at least fifteen (15) days before approval. A City Project is a project that involves new construction, a change in use or a significant expansion of an existing use where the City funding for the project is \$50,000 or more. If the Loan will be used for a City Project, this Agreement will not become effective until fifteen (15) days following the posting of the requisite sign, or, in the alternative, thirty (30) days following the delivery of written notices to residents and owners within 300 feet of the Site, and the City will have the right to nullify or revoke this Agreement without cost or liability of any sort whatsoever at any time before that date. If Borrower believes that this Agreement relates to a City Project and that the requisite sign has not been posted, Borrower must notify the City so that the City may determine the applicability of Chapter 79, and, if necessary, post the requisite sign.

14. Prohibition on Use of Public Funds for Political Activities. Borrower shall comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by the City for this Agreement from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. Borrower is subject to the enforcement and penalty provisions in Chapter 12G.

15. Nondisclosure of Private Information. Borrower has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information", and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Borrower agrees that any failure of Borrower to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Agreement, bring a false claim action against Borrower pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar Borrower.

16. Graffiti Removal. Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti.

(a) Borrower shall remove all graffiti from any real property owned or leased by Borrower in the City and County of San Francisco within forty eight (48) hours of the earlier of Borrower's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Borrower to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et

seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

(b) Any failure of Borrower to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.

17. Resource-Efficient Building Ordinance. Borrower acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Chapter 7 relating to resource-efficient City buildings and resource-efficient pilot projects. Borrower hereby agrees it shall comply with the applicable provisions of such code sections as such sections may apply to the Property.

18. Consideration of Criminal History in Hiring and Employment Decisions.

(a) Borrower agrees to comply fully with and be bound by all of the provisions of Chapter 12T “City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions,” of the San Francisco Administrative Code (Chapter 12T), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the Chapter 12T is available on the web at www.sfgov.org/olse/fco. A partial listing of some of Borrower’s obligations under Chapter 12T is set forth in this Section. Borrower is required to comply with all of the applicable provisions of 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12T.

(b) The requirements of Chapter 12T shall only apply to a Borrower’s or Subcontractor’s operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, shall apply only when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco, and shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

(c) Borrower shall incorporate by reference in all subcontracts the provisions of Chapter 12T, and shall require all subcontractors to comply with such provisions. Borrower’s failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(d) Borrower or Subcontractor shall not inquire about, require disclosure of, or if such information is received base an Adverse Action on an applicant’s or potential applicant for employment, or employee’s: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

(e) Borrower or Subcontractor shall not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection 16.16(d), above. Borrower or Subcontractor shall not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

(f) Borrower or Subcontractor shall state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment to be performed under this Agreement, that Borrower or Subcontractor will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

(g) Borrower and Subcontractors shall post the notice prepared by the Office of Labor Standards Enforcement (OLSE), available on OLSE's website, in a conspicuous place at every workplace, job site, or other location under Borrower or Subcontractor's control at which work is being done or will be done in furtherance of the performance of this Agreement. The notice shall be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the workplace, job site, or other location at which it is posted.

(h) Borrower understands and agrees that if it fails to comply with the requirements of Chapter 12T, the City shall have the right to pursue any rights or remedies available under Chapter 12T, including but not limited to, a penalty of \$50 for a second violation and \$100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Agreement.

19. Food Service Waste Reduction Requirements. Borrower agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Borrower agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Borrower agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Borrower's failure to comply with this provision.

20. Bottled Drinking Water. Unless exempt, Borrower agrees to comply fully with and be bound by all of the provisions of the San Francisco Bottled Water Ordinance, as set forth in San Francisco Environment Code Chapter 24, including the administrative fines, remedies, and implementing regulations provided therein, as the same may be

amended from time to time. The provisions of Chapter 24 are incorporated herein by reference and made a part of this Agreement as though fully set forth.

EXHIBIT F
Lobbying/Debarment Certification Form

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress or an employee of a member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

This lobbying certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed under Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for such failure.

3. Neither the undersigned nor its principals is listed by the General Services Administration as debarred, suspended, ineligible or voluntarily excluded from receiving the Funds on the Agreement Date. The undersigned will review the list to ensure that any contractor or subcontractor who bids for a contract in excess of \$100,000 is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities and will obtain the certification of each contractor or subcontractor whose bid is accepted that such contractor or subcontractor is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities.

HUNTERS VIEW ASSOCIATES, L.P.:

BY: _____

NAME: _____

TITLE: _____

DATE: _____

EXHIBIT G
Form of HOPE SF Monthly Report

[To be attached]

HOPE SF Monthly Project Update

Please email your completed Monthly Project Update to your MOHCD Project Manager [\[Insert Name, and email address\]](#), Lisa Motoyama (lisa.motoyama@sfgov.org), Erin Caron (erin.carson@sfgov.org), Malik Looper (malik.looper@sfgov.org) and Saidah Leatutufu (saidah.leatutufu@sfgov.org), by the **tenth of each month**.

Project:	[PROJECT NAME]
Sponsor:	
Sponsor PM:	
MOHCD PM:	

Month Covered:	[MONTH, YEAR]	Date of Report:	[Month, Day, Year]
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Instructions:

- 1 The Project Name and Month covered will show up on each tab, after it is inputted on the Intro Tab
- 2 Multiple contributors may be responsible for different tabs, Developer PM should review all information for consistency and accuracy
- 3 Reporting pertains to active MOHCD loans (Master Planning, Vertical, and Infrastructure).
- 4 For each infrastructure and vertical loan, create a new tab and label appropriately with Phase # or Parcel/Block #
- 5 Blue text is included as instructions on each tab, save a blank template for reference. Please change color to black once new text is added
- 6 Master Planning Loan tabs are yellow, infrastructure are orange and vertical are blue.

HOPE SF Monthly Project Update

[PROJECT NAME]

[MONTH, YEAR]

MASTER PLANNING			
Completed By:	Name of person filling out this form	Date Completed:	
Total Master Planning Loan amount:		Total Remaining Funds for Disbursement:	
Repayment Amount to Date (indicate in-kind, assigned or paid):	In-kind	Assigned	Paid
Report on Affordable Units completed to date (Build/Planned/unit set asides):	List total # of affordable and # of replacement required in DA; List total of affordable in predevelopment, in construction and completed with # of replacement		
Report on Master Planning Market Rate Units completed to date:	List total # total units buildable under DA; List approximate number of market rate to be built as described in purchase agreements		
Any changes in the Master Planning scope?			
Any Major Costs implications or changes*?			
Any Schedule Modifications*?			
SUPPORT REQUESTED – Issues/concerns that may require MOHCD or HOPE SF involvement.			
Milestones Achieved in Reporting Month			
Milestones Targeted for Upcoming Month			
For MOHCD/HOPE SF Staff Use Only			
Major issues, delays, etc.			
Items for discussion with Director			

HOPE SF Monthly Project Update

[PROJECT NAME]

[MONTH, YEAR]

WORKFORCE DEVELOPMENT - Non Construction				
Completed By:		<i>Name of person filling out this form</i>		Date Completed:
HOPE SF Resident Hire Information (non-construction only):	Total # of hours worked by all employees:	Total # of hours worked by HOPE SF resident hires:	% of hours worked by HOPE SF resident hires (Section 3):	
	% of HOPE SF resident employment retention (consecutive 90 days):	Total # of HOPE SF residents hired in the reporting month:	Total number of HOPE SF residents hired to date:	
	Total # of HOPE SF residents still employed to date:	Total # of new HOPE SF residents still employed in the reporting month:	#/% of HOPE SF residents referred to employment and job training:	
Placement Details*				
Location Employed	Status: FTE/PTE	Training Received	Successes	Barriers
Discuss current placement trends (including employment, education, and training) and what factors have contributed to increases or decreases in placement.				
Identify ongoing challenges for workforce and plans to address them** :				
Client Success Stories:				
SUPPORT REQUESTED – Issues/concerns that may require MOHCD or HOPE SF involvement.				
Milestones Achieved in Reporting Month				
Milestones Targeted for Upcoming Month				
For MOHCD/HOPE SF Staff Use Only				
Major issues, delays, etc.				
Items for discussion with Director				

*In this section, please list where residents are employed, PTE or FTE, Training received, etc. Add additional lines for each resident as needed

**Under the Challenges section, please include specific barriers for individual participants, including issues of violence, transportation, education, etc.

HOPE SF Monthly Project Update

[PROJECT NAME]

[MONTH, YEAR]

WORKFORCE DEVELOPMENT - Construction				
Completed By:	Name of person filling out this form		Date Completed:	
HOPE SF Resident Hire Information (construction only):	% of HOPE SF resident employment retention (consecutive 90 days):	Total # of HOPE SF residents hired in the reporting month:	Total number of HOPE SF residents hired to date:	
	Total # of HOPE SF residents employed in date:	Total # of new HOPE SF residents employed in the reporting month:	#/% of HOPE SF residents referred to employment and job training:	
Placement Details*				
Location Employed	Status: FTE/PTE	Training Received	Successes	Barriers
Discuss current placement trends (including employment, education, and training) and what factors have contributed to increases or decreases in placement.				
Identify ongoing challenges for workforce and plans to address them** :				
Client Success Stories:				
SUPPORT REQUESTED – Issues/concerns that may require MOHCD or HOPE SF involvement.				
Milestones Achieved in Reporting Month				
Milestones Targeted for Upcoming Month				
For MOHCD/HOPE SF Staff Use Only				
Major issues, delays, etc.				
Items for discussion with Director				

*In this section, please list where residents are employed, PTE or FTE, Training received, etc. Add additional lines for each resident as needed

**Under the Challenges section, please include specific barriers for individual participants, including issues of violence, transportation, education, etc.

HOPE SF Monthly Project Update

[PROJECT NAME]

[MONTH, YEAR]

HOUSING RETENTION and RENT PAYMENT			
Completed By:	Name of person filling out this form	Date Completed:	
# of Notices to terminate tenancy served:	Reasons for Notices		
	# of nonpayment of rent:		# of house Rules violation*
# Formal/Informal grievance hearings requested:		# Formal/ Informal grievance hearings held:	
Unlawful detainers filed during reporting month:	Outcome of UDs:		
	Move out:		Stay:
Notes:			
List number of evictions in process and reason:			
Households current on rent:	Households delinquent on rent (this monthly only):	Total households delinquent on rent (cumulative):	
Total Back Rent Due:	Households in repayment agreements:		
	In Compliance:		Out of compliance:
Notes:			
# of Incident reports made in reporting month:		# of SFPD calls made in reporting month:	
		# of SFPD calls made in reporting month:	
Notes:			
SUPPORT REQUESTED – Issues/concerns that may require MOHCD or HOPE SF involvement.			
Milestones Achieved in Reporting Month			
Milestones Targeted for Upcoming Month			
For MOHCD/HOPE SF Staff Use Only			
Major issues, delays, etc.			
Items for discussion with Director			

*Harassment and violent behavior

HOPE SF Monthly Project Update

[PROJECT NAME]

[MONTH, YEAR]

INFRASTRUCTURE PHASE [#]				
Completed By:	Name of person filling out this form		Date Completed:	
Date License signed with SFHA:		Total # of units to be demolished:		
Mapping Status:				
Current MOHCD Loan Type (predev/gap):		Total Remaining Funds for Disbursement:		
Projected MOHCD gap commitment (excluding MOHCD funding committed to date):			Expected date when MOHCD infrastructure gap funds needed:	
Repayment Amount to Date (indicate in-kind, assigned or paid):				
Infrastructure construction start date:	% Complete as of latest Pay Application:	On Schedule?	On Budget?	Projected Board of Supervisors acceptance date:
Please explain any changes in the scope, major costs implications, or schedule modifications*				
Procurement and bidding (architect, consultants and contractors)				
Entitlements, permits and utilities (Planning Dept., DBI, SFFD, DPW, SFWD, MOD, PG&E etc.)				
Description of Community Amenities scope and work completed within this phase				
SUPPORT REQUESTED – Issues/concerns that may require MOHCD or HOPE SF involvement.				
Milestones Achieved in Reporting Month				
Milestones Targeted for Upcoming Month				
For MOHCD/HOPE SF Staff Use Only				
Major issues, delays, etc.				
Items for discussion with Director				

*Attach updated budget and/or schedule if any have occurred since prior month.

HOPE SF Monthly Project Update

[PROJECT NAME]

[MONTH, YEAR]

Vertical [#]				
Completed By:	Name of person filling out this form		Date Completed:	
Current MOHCD Loan Type (predev/gap):		Total Remaining Funds for Disbursement:		
Previous amount committed by MOHCD:		Date Funds expended:		
Projected MOHCD gap commitment (excluding MOHCD funding committed to date)*:			Expected date when MOHCD gap funds needed by phase:	
Amount of Infrastructure/Master Plan to be Assigned to Project:				
Total # Affordable Units to be built in this Project:		Total # PBV & RAD units to be built in this Project:		
Date of Construction Closing/Ground Lease execution	Housing construction start date:	% Complete as of latest Pay Application:	On Schedule?	On Budget?
Describe any changes in the scope, major costs implications, or schedule modifications**				
Procurement and bidding (architect, consultants and contractors) status:				
SUPPORT REQUESTED – Issues/concerns that may require MOHCD or HOPE SF involvement.				
Milestones Achieved in Reporting Month				
Milestones Targeted for Upcoming Month				
For MOHCD/HOPE SF Staff Use Only				
Major issues, delays, etc.				
Items for discussion with Director				

*N/A if already in Gap commitment

**Attach updated budget and/or schedule if any have occurred since prior month.

HOPE SF Monthly Project Update

[PROJECT NAME]

[MONTH, YEAR]

Vertical [#]

Completed By:					Name of person filling out this form		Date Completed:		
Current MOHCD Loan Type (predev/gap):				Total Remaining Funds for Disbursement:					
Previous amount committed by MOHCD:				Date Funds expended:					
Projected MOHCD gap commitment (excluding MOHCD funding committed to date)*:					Expected date when MOHCD gap funds needed by phase:				
Amount of Infrastructure/Master Plan to be Assigned to Project:									
Total # Affordable Units to be built in this Project:				Total # PBV & RAD units to be built in this Project:					
Date of Construction Closing/Ground Lease execution		Housing construction start date:		% Complete as of latest Pay Application:		On Schedule?		On Budget?	
Describe any changes in the scope, major costs implications, or schedule modifications**									
Procurement and bidding (architect, consultants and contractors) status:									
SUPPORT REQUESTED – Issues/concerns that may require MOHCD or HOPE SF involvement.									
Milestones Achieved in Reporting Month									
Milestones Targeted for Upcoming Month									
For MOHCD/HOPE SF Staff Use Only									
Major issues, delays, etc.									
Items for discussion with Director									

*N/A if already in Gap commitment

**Attach updated budget and/or schedule if any have occurred since prior month.

EXHIBIT H

Reserved

EXHIBIT I

Reserved

EXHIBIT J

Reserved

EXHIBIT K

Reserved

EXHIBIT L
Insurance Requirements

Subject to approval by the City's Risk Manager of the insurers and policy forms, Borrower must obtain and maintain, or caused to be maintained, the insurance and bonds as set forth below from the date of this Agreement or other applicable date set forth below throughout the Compliance Term at no expense to the City. Any reduction in coverage is subject to approval by Risk Manager, Project Manager and City Attorney.

1. **Liability Insurance.** Borrower must obtain and maintain, or cause its contractors, subcontractors, property managers and/or agents, as appropriate for each, to obtain and maintain, insurance and bonds as follows:

(a) to the extent Borrower or its contractors and subcontractors have "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars (\$1,000,000) each accident, injury or illness;

(b) commercial general liability insurance, with limits no less than Two Million Dollars (\$2,000,000) combined single limit per occurrence and Four Million Dollars (\$4,000,000) annual aggregate limit for bodily injury and property damage, including coverage for contractual liability; personal injury; fire damage legal liability; advertisers' liability; owners' and contractors' protective liability; products and completed operations; broad form property damage; and explosion, collapse and underground (XCU) coverage during any period in which Borrower is conducting any activity on, alteration or improvement to the Site with risk of explosions, collapse, or underground hazards. Borrower may obtain Umbrella/Excess liability insurance to meet coverage amounts.

(c) business automobile liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable;

(d) professional liability insurance of no less than One Million Dollars (\$1,000,000) per claim and Two Million Dollars (\$2,000,000) annual aggregate limit covering all negligent acts, errors and omissions of Borrower's architects, engineers and surveyors. If the professional liability insurance provided by the architects, engineers, or surveyors is "Claims made" coverage, Borrower shall assure that these minimum limits are maintained for no less than three (3) years beyond completion of the constructions or remodeling. Any deductible over [Fifty Thousand Dollars (\$50,000)] each claim must be reviewed by Risk Management; and

(e) a crime policy or fidelity bond covering Borrower's officers and employees against dishonesty with respect to the Funds of no less than Seventy Five Thousand Dollars (\$75,000) each loss, with any deductible not to exceed [Five Thousand Dollars (\$5,000)] each loss, including the City as additional obligee or loss payee;

(f) as applicable, pollution liability and/or asbestos pollution liability covering the work being performed with a limit no less than Two Million Dollars (\$2,000,000) per claim or occurrence and Two Million Dollars (\$2,000,000) annual aggregate per policy. This coverage shall be endorsed to include Non-Owned Disposal Site coverage. This policy may be provided by Borrower's contractor, provided that the policy must be "claims made" coverage and Borrower must require Borrower's contractor to maintain these minimum limits for no less than three (3) years beyond completion of the construction or remodeling.

2. Property Insurance. Borrower must maintain, or cause its contractors and property managers, as appropriate for each, to maintain, insurance and bonds as follows:

(a) Prior to construction:

(i) Property insurance, excluding earthquake and flood, in the amount no less than One Hundred Percent (100%) of the replacement value of all improvements prior to commencement of construction and City property in the care, custody and control of Borrower or its contractor, including coverage in transit and storage off-site; the cost of debris removal and demolition as may be made reasonably necessary by such perils, resulting damage and any applicable law, ordinance or regulation; start up, testing and machinery breakdown including electrical arcing; and with a deductible not to exceed [Ten Thousand Dollars (\$10,000)] each loss, including the City and all subcontractors as loss payees. This requirement shall only apply if structures exist on Site prior to construction which will be incorporated into the Project.

(b) During the course of construction:

(i) Builder's risk insurance, special form coverage, excluding earthquake and flood, for one hundred percent (100%) of the replacement value of all completed improvements and City property in the care, custody and control of Borrower or its contractor, including coverage in transit and storage off-site; the cost of debris removal and demolition as may be made reasonably necessary by such covered perils, resulting damage and any applicable law, ordinance or regulation; start up, testing and machinery breakdown including electrical arcing, copy of the applicable endorsement to the Builder's Risk policy, if the Builder's Risk policy is issued on a declared-project basis; and with a deductible not to exceed [Ten Thousand Dollars (\$10,000)] each loss, including the City and all subcontractors as loss payees.

(ii) Performance and payment bonds of contractors, each in the amount of One Hundred Percent (100%) of contract amounts, naming the City and Borrower as dual obligees or other completion security approved by the City in its sole discretion.

(c) Upon completion of construction:

(i) Property insurance, excluding earthquake and flood, in the amount no less than One Hundred Percent (100%) of the replacement value of all completed improvements and City property in the care, custody and control of Borrower or its contractor. For rehabilitation/construction projects that are unoccupied by residential or commercial tenants, Tenant must obtain Property Insurance by the date that the project receives a Certificate of Substantial Completion.

(ii) Boiler and machinery insurance, comprehensive form, covering damage to, loss or destruction of machinery and equipment located on the Site that is used by Borrower for heating, ventilating, air-conditioning, power generation and similar purposes, in an amount not less than one hundred percent (100%) of the actual replacement value of such machinery and equipment with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City as loss payee.

The following notice is provided in accordance with the provisions of California Civil Code Section 2955.5: Under California law, no lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property.

3. General Requirements.

(a) General and automobile liability policies of Borrower, contractors, commercial tenants and property managers must include the City, including its Boards, commissions, officers, agents and employees, as an additional insured by endorsement acceptable to the City.

(b) All policies required by this Agreement must be endorsed to provide no less than thirty (30) days' written notice to the City before cancellation or intended non-renewal is effective. The endorsement must provide the City with the same rights as the named insured in the event of cancellation or intended non-renewal.

(c) With respect to any property insurance, Borrower hereby waives all rights of subrogation against the City to the extent of any loss covered by Borrower's insurance, except to the extent subrogation would affect the scope or validity of insurance.

(d) Approval of Borrower's insurance by the City will not relieve or decrease the liability of Borrower under this Agreement.

(e) Any and all insurance policies called for herein must contain a clause providing that the City and its officers, agents and employees will not be liable for any required premium.

(f) The City reserves the right to require an increase in insurance coverage in the event the City determines that conditions show cause for an increase, unless Borrower demonstrates to the City's satisfaction that the increased coverage is commercially unreasonable and unavailable to Borrower.

(g) All liability policies must provide that the insurance is primary to any other insurance available to the additional insureds with respect to claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought and that an act of omission of one of the named insureds that would void or

otherwise reduce coverage will not void or reduce coverage as to any other insured, but the inclusion of more than one insured will not operate to increase the insurer's limit of liability.

(h) Any policy in a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs are included in the general annual aggregate limit must be in amounts that are double the occurrence or claims limits specified above.

(i) All claims based on acts, omissions, injury or damage occurring or arising in whole or in part during the policy period must be covered. If any required insurance is provided under a claims-made policy, coverage must be maintained continuously for a period ending no less than three (3) years after recordation of a notice of completion for builder's risk or the Compliance Term for general liability and property insurance.





(j) Borrower must provide the City with copies of endorsements for each required insurance policy and make each policy available for inspection and copying promptly upon request.

EXHIBIT M
Reserved

EXHIBIT N
Interagency Workforce MOU

INTERAGENCY MEMORANDUM OF UNDERSTANDING

BETWEEN

	SAN FRANCISCO REDEVELOPMENT AGENCY
	SAN FRANCISCO HOUSING AUTHORITY
	MAYOR'S OFFICE OF HOUSING
 SAN FRANCISCO Office of Economic and Workforce Development	DEPARTMENT OF ECONOMIC & WORKFORCE DEVELOPMENT

**FOR THE
HUNTERS VIEW DEVELOPMENT PROJECT**

**CONTRACT/WORKFORCE COMPLIANCE
WORKFORCE DEVELOPMENT & TRAINING**

SECTION I. PURPOSE

This Inter-Agency Memorandum of Understanding (MOU) is between the San Francisco Redevelopment Agency (SFRA), San Francisco Housing Authority (SFHA), Mayor's Office of Housing (MOH), and Department of Economic and Workforce Development (DEWD), collectively referred to as the "MOU members."

The primary purpose of this MOU is to clarify and define the roles, responsibilities, goals and procedures of each of the aforementioned parties in relation to the City's "community benefit" program for the Hunters View Development Project. This "community benefit" program is designed to institute the mechanisms by which the Project's developer, Hunters View Associates L.P. (Developer), will demonstrate the requisite good faith efforts necessary to achieve the specified goals for the project. The specific programs to be enforced or executed are:

1. Small Business Enterprise Program
2. Bayview Hunters Point Employment & Contracting Policy*
3. Housing and Urban Development Act of 1968
4. San Francisco Housing Authority Resolutions No. 4967 and 3639

(*) These SFRA programs/goals are amended to incorporate SFHA goals and define how the developer and/or contractors/subcontractors can demonstrate their good faith efforts.

SECTION II. AGREEMENTS AMONG PARTICIPATING PARTIES

The San Francisco Redevelopment Agency (SFRA), San Francisco Housing Authority (SFHA), Mayor's Office of Housing (MOH), and Department of Economic and Workforce Development (DEWD) all agree as follows.

1. DEVELOPER COMPLIANCE

Compliance by the Developer with all the requirements contained in this MOU will relieve the Developer from all other workforce requirements, programs and policies of the MOU members.

2. CONSTRUCTION WORKFORCE

- a. The rules of the San Francisco Redevelopment Agency's Bayview Hunters Point Employment and Contracting Policy (BVHP ECP) governs construction workforce hiring and placement, with a residency modification to accommodate provisions in the Housing and Urban Development (HUD) Act of 1968, Section 3 and the San Francisco Housing Authority's Resolution Number 4967. These modifications are detailed in Section III of this MOU.
- b. SFRA will monitor and enforce the BVHP ECP.
- c. SFRA will provide access to all MOU members through an electronic certified payroll system (e.g., Elations).
- d. DEWD/CityBuild will serve as the lead and initial point of contact between the Bayview Hunters Point community and construction (sub)contractors for construction worker placement.
- e. Contractor and/or subcontractors will also submit to SFRA copies of all correspondences to/from CityBuild, SFHA, and/or trade unions requesting

resident workers and will attach these documents to their Certified Payroll Reports.

3. PROFESSIONAL SERVICES TRAINEE REQUIREMENTS

- a. The rules of the San Francisco Redevelopment Agency's Bayview Hunters Point Employment and Contracting Policy (BVHP ECP) governs trainee hiring and placement, with a residency modification to accommodate provisions in the Housing and Urban Development (HUD) Act of 1968, Section 3 and the San Francisco Housing Authority's Resolution Number 4967. These modifications are detailed in Section III of this MOU.
- b. SFRA will monitor and enforce the BVHP ECP.
- c. DEWD will serve as the lead and initial point of contact between the Bayview Hunters Point community and professional services (sub)consultants for trainee placement.

4. PERMANENT WORKFORCE

- a. The rules of the San Francisco Redevelopment Agency's Bayview Hunters Point Employment and Contracting Policy (BVHP ECP) governs permanent workforce hiring and placement, with a residency modification to accommodate provisions in the Housing and Urban Development (HUD) Act of 1968, Section 3 and the San Francisco Housing Authority's Resolution Number 4967. These modifications are detailed in Section III of this MOU.
- b. According to HUD, Section 3, at least 30 percent of the permanent, full-time employees hired should be Section 3 residents. After a Section 3 employee has been employed for 3 years, the employee may no longer be counted as a Section 3 employee to meet the 30 percent requirement. This requires recipients to continue hiring Section 3 residents when employment opportunities are available.
- c. SFRA will monitor and enforce the BVHP ECP.
- d. DEWD will serve as the lead and initial point of contact between the Bayview Hunters Point community and businesses for permanent workforce placement.
- e. For permanent workforce tracking, the developer and/or retail tenants will submit a permanent workforce report provided by SFRA. The developer and/or retail tenants will submit to SFRA copies of all correspondence to/from SFHA, or DEWD requesting assistance to ensure that permanent employment placement occurs according to the Section III priority.

SECTION III. SFHA REQUIREMENTS AND SFRA BVHP ECP MODIFICATIONS

1. Workforce Hiring Goals

San Francisco Housing Authority Goal: at least 25 percent of all workforce hours going toward Public Housing Residents as defined in San Francisco Housing Authority's Resolution number 4967 requirement. This goal is not additional; the hiring of Public Housing Residents counts toward the goal for participation of San Francisco residents.

San Francisco Redevelopment Agency Goal: The Goal for participation of San Francisco residents in each trade in the construction workforce: 50 percent of the total hours worked in each trade.

2. Permanent Workforce Hiring Goals

The Owner and the on-site retail tenants' permanent workforce requirements are outlined below.

- a. The rules of the San Francisco Redevelopment Agency's Bayview Hunters Point Employment and Contracting Policy (BVHP ECP) governs permanent workforce hiring and placement, with a residency modification to accommodate provisions in the Housing and Urban Development (HUD) Act of 1968, Section 3 and the San Francisco Housing Authority's Resolution Number 4967. These modifications are detailed in Section III of this MOU.
- b. According to HUD, Section 3, at least 30 percent of the permanent, full-time employees hired should be Section 3 residents. After a Section 3 employee has been employed for 3 years, the employee may no longer be counted as a Section 3 employee to meet the 30 percent requirement. This requires recipients to continue hiring Section 3 residents when employment opportunities are available.

3. Employment Placement Priority

Individuals will be placed in employment opportunities in the following order of preference, using good faith efforts:

1. Hunters View Public Housing residents (named on lease);
2. San Francisco Housing Authority residents within 94124;
3. San Francisco Housing Authority residents in 94134 and 94107;
4. San Francisco Housing Authority residents in other zip codes;
5. Hunters View Communities of Opportunities members;
6. Bayview Hunters Point Project Area residents; AND
7. San Francisco residents.

SECTION IV. ROLES AND RESPONSIBILITIES

A. San Francisco Redevelopment Agency: will serve as the primary agency to collect and share employment data with participating agencies. In addition, SFRA will be responsible for contract compliance. The SFRA is specifically responsible for workforce construction data collection and enforcement of the BVHP Employment and Contracting Policy.

B. San Francisco Housing Authority: will confirm residency in a public housing development and ensure qualified residents are referred to DEWD for employment opportunities. SFHA will also provide resident data to SFRA to track resident employment.

C. Mayor's Office of Housing: will not have any workforce related role.

D. Department Of Economic & Workforce Development: DEWD is the primary entity for developing and executing job-training program(s) specifically targeting residents to meet the goals and requirements outlined earlier. DEWD will also serve as the lead for referrals and placements.

To ensure an efficient work referral system, DEWD is the single point of contact and to work with the developer, its retail tenants and BVHP community for placement of San Francisco residents for permanent employment opportunities.

To ensure an efficient work referral system, the DEWD's CityBuild Program ("CityBuild") will be the lead and initial point of contact between the developer, its contractor/subcontractors and the BVHP community for placement of San Francisco residents for construction work.

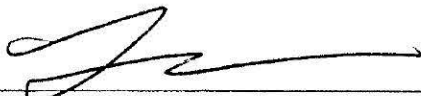
SECTION V. PREVAILING WAGE REQUIREMENTS

All contractors are required to pay not less than the prevailing wage rate as determined by the General Prevailing Wage Determination made by the Director of Industrial Relations.

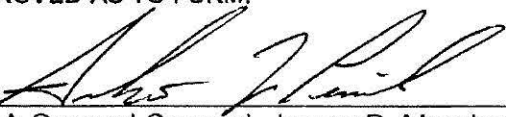
SECTION VI. COUNTERPARTS, FACSIMILE COPIES. This Agreement shall be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. This Agreement shall be effective upon transmission by any party to the other parties of a fully signed facsimile copy of the Agreement, so long as a copy of the Agreement signed by the transmitting party is delivered to the other parties within five (5) days thereafter.

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first specified herein.


SFRA Executive Director, Fred Blackwell 12/21/10
Date

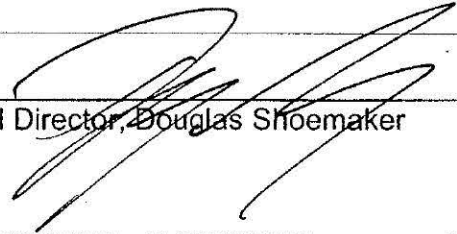
APPROVED AS TO FORM:

By: 
SFRA General Counsel, James B. Morales 12/20/10
Date

SFHA Executive Director, Henry A. Alvarez, III Date

APPROVED AS TO FORM:

By: _____
SFHA Assistant General Counsel, Roger Crawford Date


MOH Director, Douglas Shoemaker 1/7/11
Date

DEWD Director, Jennifer Matz Date

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first specified herein.

SFRA Executive Director, Fred Blackwell Date

APPROVED AS TO FORM:

By: _____
SFRA General Counsel, James B. Morales

SFHA Executive Director, Henry A. Alvarez, III Date 1/20/11

APPROVED AS TO FORM:

By: _____
SFHA Assistant General Counsel Date 1/19/11

MOH Director, Douglas Shoemaker Date

DEWD Director, Jennifer Matz Date

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first specified herein.

SFRA Executive Director, Fred Blackwell Date

APPROVED AS TO FORM:

By: _____
SFRA General Counsel, James B. Morales

SFHA Executive Director, Henry A. Alvarez, III Date

APPROVED AS TO FORM:

By: _____
SFHA Assistant General Counsel, Roger Crawford Date

MOH Director, Douglas Shoemaker Date



DEWD Director, Jennifer Matz Date 1/21/10

Redevelopment Agency of the
City and County of San Francisco

**BAYVIEW HUNTERS POINT
EMPLOYMENT AND CONTRACTING POLICY**

Adopted December 4, 2007

Resolution No. 127-2007

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I. PURPOSE

A. Purpose

1. Pursuant to California Community Redevelopment Law (“**CRL**”) and consistent with long standing practice, the San Francisco Redevelopment Agency (“**Agency**”) hereby adopts this Employment and Contracting Policy to ensure training and employment opportunities for lower-income residents in the Bayview Hunters Point (“**BVHP**”) Redevelopment Project Area, including residents in the 94124 zip code, subject to the criteria set forth below.

2. In adopting the BVHP Redevelopment Plan, the Agency and the City and County of San Francisco (“**City**”) have made a commitment to vigorous equal opportunity and diversity in employment. Thus, the Agency has proposed programs to encourage local hiring and contracting by the private sector engaged in development in the Project Area.

3. This BVHP Employment and Contracting Policy is designed to ensure that Agency Action Projects and private Significant Projects (which do not receive Agency assistance), provide employment opportunities for lower-income BVHP Residents and San Francisco Residents in the areas of construction, professional services, and permanent jobs. This Policy will supplement and not supplant the existing Agency employment and contracting policies found in the Agency’s Equal Opportunity Program and the Agency Purchasing Policy, which are briefly summarized in Section X. The Employment and Contracting Policy seeks to provide economic benefits to existing BVHP Residents and San Francisco Residents from redevelopment activities within the Project Area. BVHP Residents have disproportionately lower income levels. As part of this policy, residents will be referred by the CBOs (defined below) that serve San Francisco lower-income residents. Therefore, the BVHP residential preference fulfills the purpose of providing economic opportunity to lower-income residents.

4. This Employment and Contracting Policy meets or exceeds the requirements of the City of San Francisco’s Administrative Code Chapter 83 (First Source policy) and CityBuild Program. Thus, entering into and complying with the terms of an Employment and Contracting Policy Agreement will satisfy the requirements of the City’s First Source Policy. It is also intended to satisfy the requirements of Health and Safety Code Section 33422.3 which states that for any contract over \$100,000, the Agency may set specific percentages by craft or trade for the employment of available project area residents.

5. The Agency is committed to facilitating Project Sponsor, Contractor and Employer access to and the hiring of qualified BVHP and San Francisco Residents. To further this goal, the Agency will continue to contract with CBOs to provide education and referral programs and services which will allow BVHP and San Francisco Residents to be considered for employment.

6. The Agency and the Planning Department of the City and County of San Francisco (“**Planning**”) entered into a delegation agreement as of September 19, 2006 (the “**Delegation Agreement**”). Per the Delegation Agreement, Planning shall not approve a Significant Project in the Project Area unless the Project Sponsor has entered into an Employment and Contracting Agreement(s) with the Agency. Ongoing compliance with such Agreements(s) shall become a condition of the permit.

7. This Employment and Contracting Policy shall be effective on or after December 4, 2007 (“**Effective Date**”).

8. The Agency and the PAC shall review the effectiveness of the new Employment and Contracting Policy after one (1) year of implementation.

II. HIRING GOALS

A. Construction Workforce Hiring Goal

1. The Employment and Contracting Policy has a goal that **fifty percent (50%)** of construction workforce hires for each trade be qualified BVHP Residents and then San Francisco Residents with First Consideration to BVHP Residents. This goal is expressed as a percentage of each Contractor’s total hours of employment and training by trade on the project. The procedure for meeting the construction workforce goal is set forth in Section VII.

B. Permanent / Temporary Workforce Goal

1. The Employment and Contracting Policy has a goal that **fifty percent (50%)** of permanent / temporary workforce hires be qualified BVHP Residents and then San Francisco Residents with First Consideration given to BVHP Residents. The procedure for meeting the permanent / temporary workforce goal is set forth in Section IX.

C. Trainee Goals

1. The Employment and Contracting Policy requires that all design professionals (architects, engineers, planners, and environmental consultants) on contracts over \$100,000, hire qualified BVHP Residents and then San Francisco Residents with First Consideration given to BVHP Residents as trainees. The trainee hiring goal for architects, engineers and other design professionals is based upon the total amount of the design professional’s contract as follows:

<u>Trainees</u>	<u>Design Professional Fees</u>
0	\$ 0 - \$ 99,000
1	\$100,000 - \$ 249,999
2	\$250,000 - \$ 499,999
3	\$500,000 - \$ 999,999
4	\$1,000,000 - \$1,499,999
5	\$1,500,000 - \$1,999,999
6	\$2,000,000 - \$4,999,999
7	\$5,000,000 - \$7,999,999
8	\$8,000,000 - or more

2. The procedure for meeting the trainee hiring goal is set forth in Section VIII.

III. DEFINITIONS

1. Agency-Action Project means, as applicable, the Agency’s funding (including conduit bond financing), acquisition, disposition, or development of property through a Development and Disposition Agreement (“**DDA**”), Owner Participation Agreement (“**OPA**”), loan agreement, grant agreement or other transactional and/or funding documents between a Project Sponsor and the Agency, provided however, that the Agency’s Model Block Program is excluded from this definition, as it will contain its own local hiring and contracting requirements.

2. **Agency Compliance Officer** means the Agency's Contract Compliance Specialist assigned to oversee the Project Sponsor's compliance with the requirements of the Employment and Contracting Policy Agreement.

3. **Agreement** means an Employment and Contracting Agreement entered into between the Agency and the Project Sponsor pursuant to this Employment and Contracting Policy.

4. **Arbitration Parties** means the Agency, Project Sponsor, Contractors, Employers and all persons who attend the arbitration hearing pursuant to Section XII, as well as those persons and Project Sponsors who are subject to a default award provided that all of the requirements in Section XII (11) have been met.

5. **BVHP Resident** means, for the purposes of this Employment and Contracting Policy only, any person who resides in the BVHP Project Area or within the 94124 zip code as it is defined on the Effective Date.

6. **CBO** means any community based organization that provides training, education and referral services to BVHP Residents, including but not limited to:

Young Community Developers, Inc., 1715 Yosemite Avenue, San Francisco, CA 94124, (415) 822-3491;

Mission Hiring Hall, 3042 – 16th Street, San Francisco, CA 94103, (415) 626-1919 (Construction jobs only);

South of Market Employment Center, 288 – 7th Street, San Francisco, CA 94103, (415) 865-2105 (Permanent Jobs only) and

Ella Hill Hutch Community Center, 1050 McAllister Street, San Francisco, CA 94115, (415) 921-6276

7. **City** means the City and County of San Francisco.

8. **Commercial Project** means (for purposes of this Employment and Contracting Policy only): (1) any building permit application for a commercial activity over 25,000 square feet in floor area and involving new construction, an addition, or alteration which results in over \$2,000,000 in improvements as stated on the City's building permit application (including any tenant improvements covered by said building permit); or (2) any application which requires discretionary action by the City's Planning Commission relating to a commercial activity over 25,000 square feet including, but not limited to conditional use project authorization under San Francisco Planning Code section 309, and office development under San Francisco Planning Code Sections 320, et seq.

9. **Contractor** means any person(s), firm, partnership, corporation (whether for profit or nonprofit), or combination thereof, who is a general contractor, subcontractor (regardless of tier) or consultant working on: (i) an Agency Action Project, (ii) a Significant Project in the Project Area, or (iii) a development project when the Project Sponsor has voluntarily subscribed to this Employment and Contracting Policy.

10. **Delegation Agreement** means the delegation agreement between the Agency and Planning dated September 19, 2006 as such agreement may be amended from time to time.

11. **Employer** means any person(s), firm, partnership, corporation (whether for profit or nonprofit), or combination thereof, who owns or operates a retail or commercial business which is part of: (i) an Agency Action Project, (ii) a Significant Project in the Project Area, or (iii) a

development project when the Project Sponsor has voluntarily subscribed to this Employment and Contracting Policy.

12. **Employment and Contracting Agreement or (“Agreement”)** means the written agreement entered into between the Project Sponsor and the Agency which details the particular requirements the Project Sponsor must meet in order to be in compliance with this Employment and Contracting Policy.

13. **First Consideration** means that a Project Sponsor, Contractor and/or Employer shall give first consideration to qualified BVHP Residents in accordance with Section VII.A. (6) - (8) of this Employment and Contracting Policy and then to San Francisco residents for hiring opportunities in the areas of construction workforce, permanent / temporary workforce and trainee hires prior to offering the hiring opportunity to other applicants.

14. **Housing Project** means (for purposes of this Employment and Contracting Policy only) new construction, an addition, a conversion, or substantial rehabilitation that results in the creation or addition of ten or more residential units.

15. **PAC** means the Bayview Hunters Point Project Area Committee.

16. **Planning** means the Planning Department and/or the Planning Commission of the City and County of San Francisco.

17. **Position** means a permanent / temporary position not related to construction or construction trades.

18. **Project Area** means the Bayview Hunters Point Project Areas as delineated in the Bayview Hunters Point Redevelopment Plan, adopted June 1, 2006 and recorded June 23, 2006, (Document Number 2006I199495) as it may be amended from time to time.

19. **Project Sponsor** means the developer of commercial space or new housing units defined herein as a Significant Project in the Project Area.

20. **San Francisco Resident** means any person who resides in the City and County of San Francisco.

21. **Significant Project** means, for purposes of this Employment and Contracting Policy only, a Commercial Project or Housing Project as defined in this Employment and Contracting Policy.

IV. APPLICATION OF POLICY BY PROJECT TYPE ¹

A. **Agency Action Projects**

1. The Employment and Contracting Policy is mandatory for Agency Action Projects. Agency Action Projects will require the Project Sponsor to execute an Employment and Contracting Agreement with the Agency as a condition of approval. The construction workforce goal, permanent / temporary workforce goal and the trainee hiring goal for professional services contracts all apply to this type of project.

¹ Page 24 contains a BVHP Employment and Contracting Policy Matrix which also gives an overview of the application of the policy by project type.

2. Additionally, the Agency's Small Business Enterprise ("**SBE**") Program, as amended from time to time, will apply when Project Sponsors on Agency Action Projects contracts for professional / personal services related to the project, such as planning studies, building and/or landscape design, economic or feasibility studies, community outreach services, printing or graphic production. The SBE participation goal is a good faith effort that 50% of the subcontracting opportunities go to Agency certified SBEs with First Consideration given to SBEs within the Project Area.

3. In addition to the local hiring and small business contracting programs listed above, Project Sponsors will be **required to comply** with the Agency's Equal Opportunity Program which include:

- o Nondiscrimination in Contracts and Equal Benefits Policy
- o Minimum Compensation Policy
- o Health Care Accountability Policy
- o Agency Prevailing Wage Policy (Labor Standards)

4. The Agency's Equal Opportunity Program is described briefly in Section X.

5. The requirements of the Employment and Contracting Policy and the Agency's Equal Opportunity Policies will be incorporated into an Agreement. The Agency's Executive Director will review and approve the Agreement on behalf of the Agency. Adherence to the Agreement shall be monitored by the Agency's Contract Compliance Division. Agency staff shall periodically report to the BVHP PAC and the Agency Commission on the compliance status of Agency Action Projects.

B. Private Significant Projects

1. The Employment and Contracting Policy is mandatory for private Significant Projects (not requiring Agency assistance) in the Project Area that exceed the following thresholds:

- **Housing Projects:** new construction, an addition, a conversion, or substantial rehabilitation that results in the creation or addition of ten or more residential units ; or
- **Commercial Projects:** (1) any building permit application for a commercial activity over 25,000 square feet in floor area and involving new construction, an addition, or alteration which results in over \$2,000,000 in improvements as stated on the City's building permit application (including any tenant improvements covered by said building permit); or (2) any application which requires discretionary action by the City's Planning Commission relating to a commercial activity over 25,000 square feet including, but not limited to conditional use project authorization under San Francisco Planning Code section 309, and office development under San Francisco Planning Code Sections 320, et seq.

2. Private Significant Projects shall be entitled by Planning as set forth in the Delegation Agreement and will require the Project Sponsor to execute an Employment and Contracting Agreement with the Agency as a condition of approval. The construction workforce

goal, permanent / temporary workforce goal and the trainee hiring goal for professional services contracts all apply to this type of project.

3. In addition to the hiring program, Project Sponsors will be encouraged to subscribe **voluntarily** to the Agency's Equal Opportunity Program which include:

- Small Business Enterprise Program
- Nondiscrimination in Contracts and Equal Benefits Policy
- Minimum Compensation Policy
- Health Care Accountability Policy
- Prevailing Wage Provisions (Labor Standards)

4. The Agency's Equal Opportunity Program is described briefly in Section X.

5. The mandatory programs and the programs which the Project Sponsor has voluntarily subscribed to, if any, will be incorporated into an Agreement and at that point become mandatory. The Agency's Executive Director will review and approve the Agreement on behalf of the Agency. Adherence to the Agreement shall be monitored by the Agency's Contract Compliance Division. Agency staff shall periodically report to the BVHP PAC and the Agency Commission on the compliance status of private Significant Projects.

C. CityBuild and Public Improvements

1. While not part of the Employment and Contracting Policy, the CityBuild workforce initiative applies to all public infrastructure and other public improvements projects that the City funds in the Project Area. CityBuild is an initiative of the Mayor's Office of Economic and Workforce Development, in partnership with other City departments, that utilizes City-sponsored construction as a vehicle to deliver training and employment opportunities to San Francisco residents. When the Agency is providing additional funding for a City funded public project, Agency staff shall work with CityBuild and the lead City department to consider implementation of elements of the Agency Employment and Contracting Policy as well as the Equal Opportunity Program.

2. The purpose of CityBuild is to ensure equal employment opportunities for San Francisco residents of all backgrounds and genders in construction workforce activities provided under City-sponsored construction projects. CityBuild establishes a goal of 50% participation for San Francisco residents in each trade for total hours worked on a project. CityBuild creates a single, responsible and accountable entity, Mayor's Office of Economic and Workforce Development, to direct construction employment and training efforts across projects and departments and develops trained, committed men and women to become the construction workforce of the future.

3. The Agency's Equal Opportunity Program is described briefly in Section X.

D. Small Private Projects

1. The Employment and Contracting Policy does not mandate local hiring or contracting for purely private projects that fall below the threshold of Significant Projects.

However, Project Sponsors will be encouraged to subscribe **voluntarily** to the following Agency's Equal Opportunity Programs and other policies which include:

- BVHP Employment and Contracting Policy
 - Small Business Enterprise Policy
 - Nondiscrimination in Contracts and Equal Benefits Policy
 - Minimum Compensation Policy
 - Health Care Accountability Policy
 - Agency Prevailing Wage Policy (Labor Standards)
2. The Agency's Equal Opportunity Program is described briefly in Section X.

V. TERM

1. The term for meeting the obligations under the Employment and Contracting Policy ("**Term**") shall be as follows:

For Construction Workforce – From the date of the Employment and Contracting Agreement until two (2) years thereafter or the expiration of the building permit for the project, whichever is later.

For Trainee Hiring – From the date of the Employment and Contracting Agreement until two (2) years thereafter or the expiration of the building permit for the project, whichever is later.

For Permanent / Temporary Workforce – Up to ten (10) years from the date of the temporary certificate of occupancy per building , as determined through good faith negotiations between the Project Sponsor and the Agency based upon the anticipated number of permanent and/or temporary positions created by the Project.

VI. APPLICABLE COMMUNITY REDEVELOPMENT LAWS

1. The Employment and Contracting Policy is designed to further the objectives of the Community Redevelopment Law that redevelopment project areas support local businesses and lower-income BVHP Residents in the revitalization efforts of the Agency. Specifically, the Community Redevelopment law (which is codified in the California Health and Safety Code) states:

33422.1. Preference in Awarding Contracts to Local Businesses.

To the greatest extent feasible, contracts for work to be performed in connection with any redevelopment project shall be awarded to business concerns which are located in, or owned in the substantial part by persons residing in, the project area.

33422.3. Agency Specification of Workmen to be Lower-Income Project Area Residents for Certain Contracts.

To insure training and employment opportunities for lower-income project area residents, the agency may specify in the call for bids for any contract over one hundred thousand dollars (\$100,000) for work to be performed in connection with any redevelopment project that project area

residents, if available, shall be employed for a specified percentage of each craft or type of workmen needed to execute the contract or work.

33423. Prevailing Wage Rates Required.

Before awarding any contract for such work to be done in a project, the agency shall ascertain the general prevailing rate of per diem wages in the locality in which the work is to be performed, for each craft or type of workman needed to execute the contract or work, and shall specify in the call for bids for the contract and in the contract such rate and the general prevailing rate for regular holiday and overtime work in the locality, for each craft or type of workman needed to execute the contract.

33424. Payment of Prevailing Wages.

The contractor to whom the contract is awarded and any subcontractor under him shall pay not less than the specified prevailing rate of wages to all workmen employed in the execution of the contract.

33425. Penalty for Noncompliance with Prevailing Wages.

As a penalty to the agency which awarded the contract, the contractor shall forfeit ten dollars (\$10) for each calendar day or portion thereof for each workman paid less than the stipulated prevailing rates for any public work done under the contract by him or by any subcontractor under him. A stipulation to this effect shall be included in the contract.

33426. Record of Wages.

Each contractor and subcontractor shall keep an accurate record showing the name, occupation, and actual per diem wages paid to each workman employed by him in connection with the work. The record shall be kept open at all reasonable hours to the inspection of the agency.

VII. CONSTRUCTION WORKFORCE HIRES²

A. Procedures For Construction Workforce Hires

1. Compliance with the Policy

The Project Sponsor agrees and will require each Contractor and all subcontractors to use its good faith efforts to employ 50% of its construction workforce hires by trade and by hours from qualified BVHP Residents and then San Francisco Residents with First Consideration to BVHP Residents. Project Sponsors and Contractors will be deemed in compliance with this Employment and Contracting Policy by meeting or exceeding the goal or by taking the following steps in good faith towards compliance.

2. Execute Employment and Contracting Agreement

The Project Sponsor shall execute an Agreement which details the requirements of the Employment and Contracting Policy, as well as the Agency's Equal Opportunity Program, if

² The same procedure for construction workforce hires applies to all Project Sponsors regardless of whether the project is an Agency Action, private Significant Project, or small Private Project when the Project Sponsor has voluntarily subscribed to the Employment and Contracting Policy.

applicable. The Project Sponsor shall incorporate by reference or attach the Agreement to its contract with the general contractor. The general contractor shall do the same in its contracts with its subcontractors. Thus, each Contractor will be obligated to comply with the terms of the Agreement. The Project Sponsor and/or Contractors shall retain the executed Agreements and make them available to the Agency Compliance Officer upon request.

3. **Submission of Labor Force Projections and Other Data**

The general contractor shall submit, to the extent available, labor force projections to the Compliance Officer within two (2) weeks of award.

4. **Submit Subcontractor Information Form**

The general contractor shall submit to the Compliance Officer the Subcontractor Information Forms, twenty-four (24) hours prior to the preconstruction meeting. The Subcontractor Information Forms are available from the Compliance Officer upon request.

5. **Preconstruction Meeting**

The general contractor shall hold a preconstruction meeting which shall be attended by the Compliance Officer, the CBO assigned to the proposed project, all prime contractor(s) and all subcontractor(s). The preconstruction meeting shall be scheduled between two (2) days and thirty (30) days prior to the start of construction at a time and place convenient to all attendees. The purpose of the meeting is to discuss: the hiring goals, workforce composition, role of the CBOs, worker referral process, certified payroll reporting, procedure for termination and replacement of workers covered by this policy and to explore any anticipated problems in complying with the Employment and Contracting Policy. All questions regarding how this Employment and Contracting Policy applies to the Project Sponsor, general contractor, subcontractors and consultants should be answered at this meeting. Failure to hold or attend at least one (1) preconstruction meeting will be a breach of this Employment and Contracting Policy that may result in the Agency ordering a suspension of work until the breach has been cured. Suspension under this provision is not subject to arbitration.

6. **Submit Construction Worker Request Form**

For the Term of the Agreement, each time the Project Sponsor or Contractor seeks to hire workers for the construction or rehabilitation of improvements, they must first submit, by fax, email or hand delivery, an executed construction worker request form to the CBO. Preferably this request will be submitted at least two (2) business days before the workers are needed. However, requests with less than two (2) business days notice will be accepted. The construction worker request form will indicate generally: the number of workers needed, duration needed, required skills or trade and date/time to report. The construction worker request form is available from the CBO or Compliance Officer upon request.

7. **Response from CBO**

The CBO shall respond, in writing, via fax, email or hand delivery to each request for construction workers. The response shall state that the CBO was able to satisfy the request in full, in part or was unable to satisfy the request. The CBOs shall look to their own referral lists, as well as confer with other CBOs and CityBuild in an attempt to find qualified BVHP Residents and San

Francisco Residents. If the CBO is able to satisfy the request in full or in part, it shall direct the qualified BVHP Resident(s) or San Francisco Resident(s) to report to the Contractor on the date and time indicated in the request. If the CBO is unable to satisfy the request, then the CBO shall send a fax or email stating that no qualified BVHP Residents or San Francisco Residents are currently available.

8. **Action by Contractor When Referrals Available**

The Project Sponsor or Contractor whose request has been satisfied in full or in part shall make the final determination of whether the BVHP Residents or San Francisco Residents are qualified for the positions and the ultimate hiring decision. The Agency strongly encourages the Contractor to hire the qualified BVHP Residents or San Francisco Residents referred by the CBO. However, if the Contractor finds the BVHP Residents or San Francisco Residents are not qualified, then the Contractor shall send the BVHP Residents or San Francisco Residents back to the CBO. Before the close of business on the same day, the Contractor shall fax or email a statement addressed to the CBO stating in detail the reason(s) the BVHP Residents or San Francisco Residents were not qualified or the reason(s) for not hiring the BVHP Residents or San Francisco Residents. The CBO shall, within one (1) business day of receipt of the fax or email, send new qualified BVHP Residents or San Francisco Residents that meet the legitimate qualifications set by the Contractor or alternatively, send a fax or email stating that no qualified BVHP Residents or San Francisco Residents are currently available.

9. **Action by Contractor When Referrals Unavailable**

If a Contractor receives a response from the CBO stating that no qualified BVHP Residents or San Francisco Residents are currently available, then the Contractor may hire the number of construction workers requested from the CBO, using its own recruiting methods, giving first consideration to BVHP Residents and then San Francisco Residents. Any additional new construction workforce hires (including the replacement of any terminated workers) must comply with this Employment and Contracting Policy, unless the Contractor has already met or exceeded the goal. The Contractor must keep a copy of the response it receives from the CBO as proof of compliance and submit a copy of each response received to the Agency Compliance Officer upon request.

10. **Action by Contractor When No Response From CBO**

If a Contractor has not received a response to its construction worker request from the CBO within two (2) business days, then the Contractor should immediately advise the Agency Compliance Officer by phone, fax or email. The Agency Compliance Officer or his/her designee shall cause a response to be sent to the Contractor within two (2) business days of being notified. If the Contractor does not receive a response from the CBO within four (4) business days (the original two (2) business days plus the additional two (2) business days), then the Contractor may hire the number of construction workers requested from the CBO, using its own recruiting methods, giving first consideration to BVHP Residents and then San Francisco Residents. Any construction workforce hires (including the replacement of any terminated workers) must comply with this Employment and Contracting Policy, unless the Contractor has already met or exceeded the goal. The Contractor must keep a copy of the response it receives from the CBO as proof of compliance and submit a copy of each response received to the Agency Compliance Officer upon request. This Employment and Contracting Policy is intended to provide qualified BVHP and San Francisco

Residents with employment opportunities without causing undue delay in hiring needed construction workers.

11. **Action by Contractor When No Response From Union**

The Contractor should immediately advise the Agency Compliance Officer by phone, fax or email when the Contractor has sent a qualified BVHP Resident or San Francisco Resident to a union hall for referral in accordance with a collective bargaining agreement and the union did not refer the qualified BVHP or San Francisco Resident back for employment or when the union referral process impedes the Contractor's ability to meet its obligations under this policy. Conflicts between this Employment and Contracting Policy and any collective bargaining agreements will be resolved pursuant to Section XI (4).

12. **Hiring Apprentices**

A Contractor may meet part of the Construction Workforce Goal by hiring apprentices. However, hiring an apprentice does not satisfy or waive the trainee hiring obligation, if any, for design professionals. Unless otherwise permitted by law, apprentices must be trained pursuant to training programs approved by the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training or the California Department of Industrial Relations, Division of Apprenticeship Standards. Credit towards compliance will only be given for paid apprentices actually working on the project. No credit is available for apprentices while receiving class room training. Under no circumstances shall the ratio of apprentices to journeymen in a particular trade or craft exceed 1:5.

13. **Termination and Replacement of Referrals**

If at any time it becomes necessary to terminate for cause a construction worker who was hired under this Employment and Contracting Policy, the Contractor shall notify the CBO in writing via fax or email and submit a report of termination pursuant to Section VII (B)(4). If the Contractor intends to fill the vacant position, then the Contractor shall follow the process set forth in this Employment and Contracting Policy beginning at Section VII (A)(6).

B. Reporting Requirements For Construction Workforce

1. **Submission of Certified Payroll Reports**

Each Contractor subject to this Employment and Contracting Policy shall submit to the Agency a certified payroll report for the preceding work week on each of its employees. The Project Sponsor is ultimately responsible for the submission of these reports by the Contractors. The certified payroll report is due to the Agency by noon each Wednesday. To facilitate compliance, the Agency uses the online LCP Tracker system (www.lcptracker.com) for submission of certified payroll reports. This system is available at no cost to the Contractor and LCP Tracker is compatible with all major computer payroll systems. Training and educational materials for LCP Tracker are available at no cost online and through the Compliance Officer. Contractors are required to report certified payroll using the LCP Tracker system at www.lcptracker.com. However, a waiver shall be granted pursuant to Section XI (10) to any Contractors who do not have a computer, online access or who use a computer payroll system that is incompatible with LCP Tracker.

2. **Contents of Certified Payroll Reports**

If certified payroll records are submitted via the LCP Tracker system, the required data points are already listed. If certified payroll records are submitted in paper form, the records shall be organized in an easily understandable format and contain **all** the following information: the name, address, telephone number, residency (Bayview Hunters Point, another redevelopment project area, San Francisco or other), last four (4) digits of the worker's Social Security number³, gender, ethnicity (see codes in Section VII (B)(8)), construction trade (see codes in Section VII (B)(8)), classification (e.g., mechanic, apprentice, trainee, helper or laborer), union affiliation (if any), dates of changes in status, daily and weekly number of hours worked, hourly wage rates (including rates of contributions for costs anticipated for fringe benefits or cash equivalents thereof), deductions made and actual wages paid. The foregoing notwithstanding, the reporting of hourly wage rates, deductions and actual wages paid are not required for Significant Projects unless the Project Sponsor has voluntarily subscribed to the Agency's Prevailing Wage Policy or the payment of prevailing wages is otherwise required by law. To the degree that existing certified payroll records satisfy these requirements, the Contractor shall not be required to maintain separate records.

3. **Additional Information**

In order to prevent unlawful discrimination in the selection, hiring and termination of employees on the basis of race, ethnicity, gender or any other basis prohibited by law and to identify and correct such unlawful practices, the Agency will monitor and collect information on the ethnicity and gender of each construction worker and apprentice. If an identifiable pattern of apparent discrimination is revealed by this additional information, it will be treated as a breach of this Employment and Contracting Policy and may be addressed as set forth in Section XII, Arbitration of Disputes.

4. **Report on Terminations**

In the event a BVHP Resident or San Francisco Resident hired pursuant to this Employment and Contracting Policy is terminated for cause, the responsible Contractor shall within two (2) days fax or email a termination report to the CBO with a copy to the Agency Compliance Officer stating in detail: (1) the name of the worker(s) terminated; (2) his/her job title and duties; (3) the reasons and circumstances leading to the termination(s); (4) whether the Contractor replaced the construction worker(s); and (5) whether the replacement worker(s) were BVHP Resident(s) or San Francisco Resident(s).

5. **Inspection of Records**

The Project Sponsor and each Contractor shall make the records required under this Employment and Contracting Policy available for inspection or copying by authorized representatives of the Agency, and shall permit such representatives to interview construction workers and apprentices during working hours on the job.

6. **Failure to Submit Reports**

³ Note: The Project Sponsor is required to provide complete Social Security numbers upon the request of the Agency.

If a Contractor fails or refuses to provide the reports as required it will be treated as a breach of this Employment and Contracting Policy and may be addressed as set forth in Section XII, Arbitration of Disputes.

7. Submission of Good Faith Effort Documentation

If the Project Sponsor’s or Contractor’s good faith efforts are at issue, the Contractor shall provide the Agency with the documentation of its efforts to comply with this Employment and Contracting Policy and the Agreement. The Project Sponsor or Contractor must maintain for the duration of the Term, a current file of the names, addresses and telephone numbers of each BVHP Resident or San Francisco Resident applicant referral whether self referral, union referral or CBO referral and what action was taken with respect to each such individual.

8. Coding Certified Payrolls

Each Contractor shall include, on the weekly payroll submissions, the code designating each construction worker’s and apprentice’s craft, skill level, protected class status and domicile in accordance with the following tables:

CRAFT CODE	DESCRIPTION	CRAFT CODE	DESCRIPTION
1	Electrician	22	Carpet, Linoleum and Vinyl Tile Layer
2	Iron Worker	23	Elevator Constructor
3	Sheet Metal Worker	24	Cement Mason
4	Asbestos Worker/ Heat & Frost Insulator	25	Laborer or Allied Worker
5	Plumber, Pipe or Steamfitter	26	Glazier & Glassmaker
6	Refrigeration	27	Painter, Paperhanger, Taper
7	Boilermaker	28	Sign Installer
8	Sprinkler Fitter	29	Scrapper
9	Brick, Caulk, Marble, Point, Terrazzo		
10	Hod Carrier		
11	Terrazzo Finisher	32	Low Voltage Electrician
12	Plasterer	33	Towboat Operator-Marine Engineer
13	Lather	34	Towboat Deckhand-Inland Boat worker
14	Carpenter or Drywall Hanger	35	Owner/Operator - Truck
15	Mill Worker or Cabinetmaker	36	Owner/Operator - Heavy Equipment
16	Millwright	37	Upholsterer
17	Roofer	38	Teamster, Construction
18	Pile Driver	39	Janitor
19	Surveyor/Operating Engineer	40	Environmental Control System Installer
20	Tile (Ceramic)/Marble Finisher	41	Window Cleaner
21	Tile (Ceramic)Setter	89	Security Guard

ETHNICITY CODE	DESCRIPTION
B	African American
L	Latino
I	American Indian
C	Caucasian/White
A	Asian
PI	Pacific Islander
F	Female (all females regardless of ethnicity)

PROJECT AREA CODE	DESCRIPTION
BIT	Bayview Industrial Triangle
BVHP	Bayview Hunters Point
HPSY	Hunters Point Shipyard
IB	India Basin Industrial Park
GG	Golden Gateway
MBN	Mission Bay (North)
MBS	Mission Bay (South)
MM	Mid-Market
RPSB	Rincon Point/South Beach
SF	San Francisco (not in any redevelopment project areas)
SOM	South of Market
TB	Transbay
VV	Visitacion Valley
WA	Western Addition Area A-2
YBC	Yerba Buena Center

VIII. TRAINEE HIRES⁴

A. Procedures For Trainee Hires

1. Compliance with the Policy

For architects, engineers and other design professionals only, there is a trainee hiring goal as set forth in Section II (C) above. These design professionals will be deemed in compliance with this Employment and Contracting Policy by meeting or exceeding the trainee hiring goal or by take the following steps in good faith towards compliance.

2. Execute Employment and Contracting Agreement

The Project Sponsor shall execute an Agreement which details the requirements of the Employment and Contracting Policy, as well as the Agency’s Equal Opportunity Program, if applicable. The Project Sponsor shall incorporate by reference or attach the Agreement to its contract with the architects, engineers and other design professionals. Thus, each design professional will be obligated to comply with the terms of the Agreement. The Project Sponsor

⁴ The same procedure for trainee hires applies to all design professionals regardless of whether the project is an Agency Action, private Significant Project, or small Private Project when the Project Sponsor has voluntarily subscribed to the Employment and Contracting Policy.

and/or the design professionals shall retain the executed Agreements and make them available to the Agency Compliance Officer upon request.

3. **Contact Educational Institutions**

The Agency works with the City, as well as educational institutional within the City, to provide a pool of student referrals to assist design professionals in meeting the trainee hiring goal. Within thirty (30) days of execution of the Agreement, the Agency Compliance Officer shall contact each design professionals and provide it with the name, address and telephone number of a point of contact at the City, **City College or other educational institutions in the Bay Area** who have a current list of students who are BVHP Residents or San Francisco Residents and are available for hire as trainees. Each design professional shall call the City or educational institution(s) and request referrals for the required trainee positions. The request will indicate generally: (1) the number of trainees sought; (2) the required skills set (keeping in mind that these are trainee positions); (3) a brief description of job duties; (4) the duration of the trainee period; and (5) any other information that would be helpful or necessary for the educational institution to make the referral. The minimum duration of assignment is part-time for one semester. However, design professionals are strongly encouraged to offer longer trainee employment periods to allow a more meaningful learning experience. (For example, a half-time or full-time assignment over the summer.) Although the initial contact shall be made by phone, the educational institution(s) may require the design professionals to send a confirming letter or fill out a form which the educational institution will provide. Each design professional is required to timely provide all of the information requested by the City or educational institution(s) in order to get the referrals.

4. **Response from Educational Institutions**

Each educational institution may have a different way of referring applicants, such as: sending resumes directly to the design professional; having the applicant contact the design professional by phone; require design professionals to conduct on-campus interviews; or some other method. The timing and method of the response will normally have be discussed with the design professional during the initial phone request. The design professional is required to follow the process set by the educational institution(s) in order to get the referrals.

5. **Action by Design Professionals When Referrals Available**

The design professional shall give First Consideration to BVHP Residents and then to San Francisco Residents referred by the educational institution(s). The design professional shall interview each applicant prior to making the decision to hire or not to hire. The design professional shall make the final determination whether the applicant is qualified for the trainee position and the ultimate hiring decision. The Agency strongly encourages the design professional to hire a qualified BVHP Resident or San Francisco Resident referred by the educational institution(s). The design professional shall notify each BVHP Resident and San Francisco Resident interviewed and the CBO in writing of the hiring decision.

6. **Action by Design Professionals When Referrals Unavailable**

If after contacting all of the educational institutions provided by the Agency Compliance Officer, the design professional is informed that no qualified BVHP residents or San Francisco Residents are currently available, then the design professional should wait thirty (30) days and contact the educational institutions a second time to inquire whether qualified San Francisco

Residents are currently available for hire as trainees. If no qualified San Francisco Residents are currently available after the second request, then the design professional has fulfilled its obligation under this Section VIII, provided that the design professional has acted in good faith. The design professional must retain its file on all of the steps it took to comply with this policy and submit a copy of its file to the Agency Compliance Officer upon request.

7. **Action by Design Professional When No Response From Educational Institutions**

If a design professional has not received a response to its request for referrals from any of the educational institutions within five (5) business days after the design professional has fully complied with the procedures, if any, set by the educational institution(s) for obtaining referrals; then the design professional should immediately advise the Agency Compliance Officer by phone, fax or email. The Agency Compliance Officer or his/her designee shall cause the educational institution(s) to respond to the design professional within five (5) business days of the Agency Compliance Officer being notified. If the design professional still has not received a response from the educational institution(s) after this additional five (5) business day period has run, then the design professional has fulfilled its obligation under this Section VIII, provided that the design professional has acted in good faith. Each design professional must retain its file on all of the steps it took to comply with this policy and submit a copy of its file to the Agency Compliance Officer upon request.

8. **Termination of Trainee for Cause**

If at any time during the Term, it becomes necessary to terminate for cause a trainee who was hired under this Employment and Contracting Policy and the design professional has not met the minimum duration requirements under this policy, then the design professional shall hire a new trainee by following the process set forth in Section VIII(A)(3) above.

B. Reporting Requirements For Trainee Hires

1. **Annual Reporting**

Annually, during the Term of the Agreement or the term of the design professional's contract with the Project Sponsor, whichever is less, the Employer shall fax or email a report to the Agency Compliance Officer stating in detail: (1) the names of the BVHP Resident(s) or San Francisco Resident(s) interviewed in the past year for trainee positions; (2) the date(s) of each interview; (3) the reasons for not hiring the BVHP Residents or San Francisco Residents interviewed; (4) the name, address, gender and racial/ethnic background of the successful candidate for the trainee position; (5) whether the successful candidate is a BVHP or San Francisco Resident; (6) the maximum number of trainees the Employer has had within the last calendar year; and (7) the number of BVHP Residents and San Francisco Residents hired within the last calendar year.

2. **Report on Terminations**

In the event a BVHP Resident or San Francisco Resident hired pursuant to this Employment and Contracting Policy is terminated for cause, the responsible design professional shall within five (5) days fax or email a termination report to the Agency Compliance Officer stating in detail: (1) the name of the trainee(s) terminated; (2) his/her job title and duties; (3) the reasons and

circumstances leading to the termination(s); (4) whether the design professional replaced the trainee(s); and (5) whether the new trainee(s) are BVHP Resident(s) or San Francisco Resident(s).

IX. PERMANENT / TEMPORARY WORKFORCE POLICY⁵

A. Permanent / Temporary Workforce Hires

1. Policy Statement

Due to the wide variety of development, both public and private, that occurs in the City and is anticipated to occur in the Project Area as redevelopment commences, it is difficult to develop a single hiring requirement or procedure that is appropriate in all situations. The Agency seeks to ensure that BVHP Residents have the opportunity to share in the permanent and temporary jobs that come from redevelopment in the Project Area. At the same time, the Agency seeks to assist Employers in meeting workforce demands for Significant Projects within the Project Area. The Agency has adopted a flexible approach to achieve these goals. The Employment and Contracting Policy sets an overall goal of 50% for permanent / temporary workforce hires but allows flexibility to tailor the remaining key terms of the Agreement to fit the specific project.

2. Compliance with the Policy

The Project Sponsor agrees and will require each Employer to use its good faith efforts to employ 50% of its permanent / temporary workforce from qualified BVHP Residents and then San Francisco Residents with First Consideration to BVHP Residents. Project Sponsors and Employers will be deemed in compliance with this Employment and Contracting Policy by meeting or exceeding the goal or by documenting the good faith efforts as set forth in the Agreement.

3. Negotiate and Execute Employment and Contracting Agreement

The Project Sponsor shall negotiate in good faith with the Agency's Contract Compliance staff to reach agreement on: (a) the Term of the Agreement; (b) the job titles or type of positions subject to this hiring obligation; (c) procedures for fulfilling the hiring obligation or meeting the good faith efforts; and (d) reporting requirements. These negotiations will be based upon the anticipated number of permanent and/or temporary positions created by the project. The executed Agreement will set forth the mutually agreed upon details, as well as the requirements of the Agency's Equal Opportunity Program, if applicable. The Project Sponsor shall incorporate by reference or attach the Agreement to its contract with the Employer. The Project Sponsor and/or Employer shall retain the executed Agreement and make it available to the Agency Compliance Officer upon request.

4. Review of Permanent / Temporary Workforce Policy

Working with the PAC, the CBOs and the City's workforce development systems, the Agency will review the Permanent / Temporary Workforce Policy and will revise the procedures

⁵ The same procedure for permanent / temporary workforce hires applies to all Project Sponsors regardless of whether the project is an Agency Action, private Significant Project, or small Private Project when the Project Sponsor has voluntarily subscribed to the Employment and Contracting Policy.

and goals as necessary to ensure that BVHP and San Francisco Residents are given First Consideration for these job opportunities.

X. AGENCY EQUAL OPPORTUNITY PROGRAM

A. Compliance with Agency's Equal Opportunity Program

Compliance with some or all of the Agency's Equal Opportunity Program may be mandatory or voluntary depending on whether the development is an Agency Action Project, private Significant Project, CityBuild / public improvement project or a small Private Project. The components of the Agency's Equal Opportunity Program are described briefly below for reference. The full policies and procedures associated with these programs are available from the Agency's Contract Compliance Division.

1. Small Business Enterprise Program

The Agency's Small Business Enterprise ("SBE") Program was adopted by Agency Resolution No. 133-2004 on November 16, 2004, as part of the Agency's Interim Purchasing Policy and Procedures, and may be amended from time to time. The SBE Program provides for first consideration in awarding subcontracts and sub-consulting opportunities to Agency certified local small business enterprises. The SBE Program is designed to help ensure that SBEs have a fair opportunity to compete for and participate in contracts related to Agency- Action Projects and other projects that are subject to the SBE Program. SBEs are divided into three groups: (1) Project Area SBEs, (2) Local SBEs (outside an Agency project or survey area, but within San Francisco), and (3) all other SBEs (outside of San Francisco). If subject to the SBE Program, the Project Sponsor and its Contractors and Employers must make good faith efforts to achieve the goal of 50% SBE participation for professional / personal services, and construction contracts. The SBE Program sets a contracting goal and thus is different from the Employment and Contracting Policy which sets hiring goals. The Project Sponsor's obligations under the SBE Program will be incorporated into a SBE Agreement ("**SBE Agreement**"). The Agency Executive Director will review and approve the SBE Agreement on behalf of the Agency. The Agency's Compliance Officer will ensure compliance with the requirements and will report periodically to the BVHP PAC and the Agency Commission on compliance matters.

2. Nondiscrimination in Contracts and Equal Benefits Policy

The Agency's Nondiscrimination in Contracts and Equal Benefits Policy was adopted by Agency Resolution No. 175-97 on September 9, 1997 and may be amended from time to time. The Nondiscrimination in Contracts and Equal Benefits Policy prohibits discrimination in contracting and which includes a prohibition on discrimination in providing benefits between employees with spouses and employees with domestic partners. This policy requires the Project Sponsor to agree not to discriminate against or segregate any person, or group of persons, on account of race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status). This policy also requires that employee benefits be equally available to domestic partners as they are to spouses.

3. Minimum Compensation Policy and Health Care Accountability Policies

The Agency's Minimum Compensation Policy ("MCP") and Health Care Accountability Policy ("HCAP") were adopted by Agency Resolution 168-2001 on September 25, 2001 and may be amended from time to time. MCP requires that all "Covered Employees," as defined therein, receive a minimum level of compensation. HCAP requires offering health plan benefits to Covered Employees or to make payments to the City and County of San Francisco's Department of Public Health, or to participate in a health benefits program developed by the City and County of San Francisco's Director of Health.

4. Agency's Prevailing Wage Policy

The Agency's Prevailing Wage Policy (Labor Standards) was adopted by Agency Resolution No. 327-85 on November 12, 1985 and may be amended from time to time. The Agency's Prevailing Wage Policy applies to projects: (i) covered under Labor Code Section 1720 *et seq.*, (ii) that are Agency-Action Projects) or (iii) for which the Project Sponsor has voluntarily subscribed to this requirement. The Agency's Prevailing Wage Policy references the State's Labor Standards and the prevailing wage, benefits, eligibility, etc. are all calculated using the State's standards. In many instances, both the California Labor Code and the Agency's Prevailing Wage Policy will apply.

XI. EMPLOYMENT AND CONTRACTING POLICY - ADDITIONAL PROVISIONS

Project Sponsors, Contractors and Employers that are subject to this Employment and Contracting Policy (including those who have voluntarily subscribed to this policy) are subject to the following additional provisions.

1. Designate a Point of Contact

Each Project Sponsor, Contractor and Employer shall designate a responsible representative, manager or agent to monitor all employment-related activity under this Employment and Contracting Policy and to be the primary point of contact for issues arising under this policy.

2. No Retaliation

No person hired pursuant to this policy shall be discharged or in any other manner discriminated against by the Project Sponsor, Contractor or Employer because such person has filed any complaint or instituted or caused to be instituted any proceeding under or relating to enforcement of this Employment and Contracting Policy.

3. No Discrimination

There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status). The Project Sponsor, Contractors and Employers will ensure that applicants are employed, and that persons are treated during employment, without regard to their race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status) or other protected class status. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or

recruitment advertising; layoff or termination; rates of pay or other forms of compensation; selection for training, including apprenticeship; and provision of any services or accommodations.

4. **Collective Bargaining Exclusion**

Notwithstanding anything to the contrary in this Employment and Contracting Policy, if an Agreement conflicts with an existing labor agreement or collective bargaining agreement to which a Project Sponsor, Contractor or Employer is a party, the labor agreement or collective bargaining agreement shall prevail. Nothing in this Employment and Contracting Policy shall be interpreted to interfere with or prohibit existing labor agreements or collective bargaining agreements. However, the Project Sponsor, Contractor or Employer will still be obligated to provide workforce needs information to the CBO prior to hiring and the Employer will be obligated to make good faith efforts to comply with the requirements of its Employment and Contracting Policy Agreement that do not conflict with the collective bargaining agreement.

5. **No Conflict with State or Federal Law**

This Employment and Contracting Policy is to be implemented in a manner that does not conflict with applicable federal or state laws.

6. **Existing Workforce**

Nothing in this Employment and Contracting Policy shall be interpreted in a manner that would require termination of the Project Sponsor's, Contractor's or Employer's existing workers and employees.

7. **Use of Debarred Entities Prohibited**

Neither the Project Sponsor, Contractor nor Employer shall enter into any subcontract with any person or firm that the Project Sponsor, Contractor or Employer knows or should have known is debarred from federal, state or local government contracts.

8. **Incorporation**

Whenever the Project Sponsor, Contractor or Employer subcontracts a portion of the work, it shall set forth verbatim and make binding on each subcontractor the provisions of this Employment and Contracting Policy. That subcontract shall then be deemed a Contractor or Employer for the purposes of this Employment and Contracting Policy and shall be subject to all of the requirements hereto.

9. **Severability**

If any part or provision of this Employment and Contracting Policy or the application thereof to any person or circumstance is held to be invalid, then the remainder of this Employment and Contracting Policy, including the application of such part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this Employment and Contracting Policy are severable.

10. **Waiver**

Any of the Employment and Contracting Policy requirements may be waived by the Agency's Executive Director, if he/she determines for good cause shown that a specific requirement

is not relevant to the particular situation, would cause undue hardship, or that an alternative approach would better meet the goals of the Employment and Contracting Policy.

XII. ARBITRATION OF DISPUTES

1. Arbitration by AAA

Any dispute involving the alleged breach or enforcement of an Employment and Contracting Policy Agreement, including but not limited to disputes over qualification of referrals; whether termination was for good cause; and whether the Project Sponsor, Contractor or Employer has complied with this Employment and Contracting Policy Agreement in good faith shall be submitted to arbitration. The arbitration shall be submitted to the American Arbitration Association, San Francisco, California office (“AAA”) which will use the Commercial Rules of the AAA then applicable, but subject to the further revisions thereof. If there is a conflict between the Commercial Rules of the AAA and the arbitration provisions in this Employment and Contracting Policy, this Employment and Contracting Policy shall govern. The arbitration shall take place in the City and County of San Francisco.

2. Demand for Arbitration

The party seeking arbitration shall make a written demand for arbitration (“**Demand for Arbitration**”). The Demand for Arbitration shall contain at a minimum: (1) a cover letter demanding arbitration under this provision and identifying the entities believed to be involved in the dispute; (2) a copy of the notice of default, if any, sent from one party to the other; and (3) any written response to the notice of default.

3. Parties’ Participation

The Agency, Project Sponsor, Contractor, Employer and all persons or entities affected by the dispute shall be made Arbitration Parties. Any such person or entity not made an Arbitration Party in the Demand for Arbitration may intervene as an Arbitration Party and in turn may name any other such affected person or entity as an Arbitration Party.

4. Agency Request to AAA

Within seven (7) business days after service or receipt of a Demand for Arbitration, the Agency shall transmit to AAA a copy of the Demand for Arbitration and any written response thereto from the Project Sponsor, Contractor and/or Employer. Such material shall be made part of the arbitration record.

5. Selection of Arbitrator

One arbitrator shall arbitrate the dispute. The arbitrator shall be selected from the panel of arbitrators from AAA by the Arbitration Parties in accordance with the AAA rules. The parties shall act diligently in this regard. If the Arbitration Parties fail to agree on an arbitrator within seven (7) business days from the receipt of the panel, AAA shall appoint the arbitrator. A condition to the selection of any arbitrator shall be the arbitrator’s agreement to: (i) submit to all Arbitration Parties the disclosure statement required under California Code of Civil Procedure Section 1281.9; and (ii) render a decision within thirty (30) days from the date of the conclusion of the arbitration hearing.

6. **Setting of Arbitration Hearing**

A hearing shall be held within ninety (90) days of the date of the filing of the Demand for Arbitration with AAA, unless otherwise agreed by the parties. The arbitrator shall set the date, time and place for the arbitration hearing(s) within the prescribed time periods by giving notice by hand delivery or first class mail to each Arbitration Party.

7. **Discovery**

In arbitration proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure §1283.05 as it may be amended from time to time.

8. **California Law Applies**

California law, including the California Arbitration Act, Code of Civil Procedure §§ 1280 through 1294.2, shall govern all arbitration proceedings in any Employment and Contracting Agreement.

9. **Arbitration Remedies and Sanctions**

The arbitrator may impose only the remedies and sanctions set forth below:

- a. Order specific, reasonable actions and procedures, in the form of a temporary restraining order, preliminary injunction or permanent injunction, to mitigate the effects of the non-compliance and/or to bring any non-compliant Arbitration Party into compliance with the Employment and Contracting Policy Agreement.
- b. Require any Arbitration Party to refrain from entering into new contracts related to work covered by the Employment and Contracting Policy Agreement, or from granting extensions or other modifications to existing contracts related to services covered by the Employment and Contracting Policy Agreement, other than those minor modifications or extensions necessary to enable compliance with the Employment and Contracting Policy Agreement.
- c. Direct any Arbitration Party to cancel, terminate, suspend or cause to be cancelled, terminated or suspended, any contract or portion(s) thereof for failure of any Arbitration Party to comply with any of the requirements in the Employment and Contracting Policy Agreement. Contracts may be continued upon the condition that a program for future compliance is approved by the Agency.
- d. If any Arbitration Party is found to be in willful breach of its obligations hereunder, the arbitrator may impose a monetary sanction not to exceed Fifty Thousand Dollars (\$50,000.00) or ten percent (10%) of the base amount of the breaching party's contract, whichever is less, for each such willful breach; provided that, in determining the amount of any monetary sanction to be assessed, the arbitrator shall consider the financial capacity of the breaching party. No monetary sanction shall be imposed pursuant to this paragraph for the first willful breach of the Employment and Contracting Policy Agreement unless the breaching party has failed to cure after being provided written notice and a reasonable opportunity to cure. Monetary sanctions may be imposed for subsequent willful breaches by any Arbitration Party

whether or not the breach is subsequently cured. For purposes of this paragraph, "willful breach" means a knowing and intentional breach.

e. Direct any Arbitration Party to produce and provide to the Agency any records, data or reports which are necessary to determine if a violation has occurred and/or to monitor the performance of any Arbitration Party.

10. **Arbitrator's Decision**

The arbitrator will normally make his or her award within twenty (20) days after the date that the hearing is completed but in no event past thirty (30) days from the conclusion of the arbitration hearing; provided that where a temporary restraining order is sought, the arbitrator shall make his or her award not later than twenty-four (24) hours after the hearing on the motion. The arbitrator shall send the decision by certified or registered mail to each Arbitration Party.

11. **Default Award; No Requirement to Seek an Order Compelling Arbitration**

The arbitrator may enter a default award against any person or entity who fails to appear at the hearing, provided that: (1) the person or entity received actual notice of the hearing; and (2) the complaining party has a proof of service for the absent person or entity. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy pursuant to Code of Civil Procedure §1281.2.

12. **Arbitrator Lacks Power to Modify**

Except as expressly provided above in this Section XII, the arbitrator shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of the Employment and Contracting Policy Agreement or to negotiate new agreements or provisions between the parties.

13. **Jurisdiction/Entry of Judgment**

The inquiry of the arbitrator shall be restricted to the particular controversy which gave rise to the Demand for Arbitration. A decision of the arbitrator issued hereunder shall be final and binding upon all Arbitration Parties. The prevailing Arbitration Party (ies) shall be entitled to reimbursement for the arbitrator's fees and related costs of arbitration. Each Arbitration Party shall pay its own attorneys' fees, provided, however, that attorneys' fees may be awarded to the prevailing party if the arbitrator finds that the arbitration action was instituted, litigated, or defended in bad faith. Judgment upon the arbitrator's decision may be entered in any court of competent jurisdiction.

BVHP EMPLOYMENT AND CONTRACTING POLICY MATRIX

	Agency-Action Projects	Private Significant Projects	CityBuild & Public Improvements	Small Private Projects
BVHP Employment and Contracting Policy	Mandatory ⁶	Mandatory	Voluntary but Encouraged	Voluntary but Encouraged
Small Business Enterprise Policy	Mandatory	Voluntary but Encouraged ⁷	Voluntary but Encouraged	Voluntary but Encouraged
Nondiscrimination and Equal Benefits Policy	Mandatory	Voluntary but Encouraged	Voluntary but Encouraged	Voluntary but Encouraged
Minimum Compensation Policy	Mandatory	Voluntary but Encouraged	Voluntary but Encouraged	Voluntary but Encouraged
Healthcare Accountability Policy	Mandatory	Voluntary but Encouraged	Voluntary but Encouraged	Voluntary but Encouraged
Agency’s Prevailing Wage Policy	Mandatory	Voluntary but Encouraged	Voluntary but Encouraged ⁸	Voluntary but Encouraged

⁶ Mandatory means that the Project Sponsor **is required** to comply with the Agency’s policy. However, each Agency policy has its own threshold and compliance requirements. For example, the Agency’s Minimum Compensation Policy (“MCP”) will apply to all Agency-Action projects but MCP has no compliance requirements for Project Sponsors with less than 25 employees.

⁷ Voluntary but Encouraged means that the Project Sponsor **is not required** to comply with the Agency’s policy as a condition to developing the project. However, the Agency’s Contract Compliance Department will encourage the Project Sponsor to subscribe voluntarily to these Agency policies. If the Project Sponsor voluntarily agrees to comply with one or more Agency’s policies, then those policies will be added as a condition to the building permit and at that point will become mandatory.

⁸ Public Improvements and public/private project receiving City funds are subject to the State of California’s prevailing wage requirements per California Labor Code Section 1720 *et seq.*

EXHIBIT O

Disposition and Development Agreement

For Phase III of Hunters View Housing Development (Phase IIIA(1), Phase IIIA(2), Phase IIIA(3) and Phase IIIB) between SFHA and Hunters View Associates, L.P., dated January 28, 2021

DISPOSITION
AND DEVELOPMENT AGREEMENT
FOR PHASE III OF THE
HUNTERS VIEW HOUSING DEVELOPMENT

(Phase IIIA(1), Phase IIIA(2), Phase IIIA(3) and Phase IIIB)

between the

HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO

and

HUNTERS VIEW ASSOCIATES, L.P.

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**DISPOSITION AND DEVELOPMENT AGREEMENT
FOR PHASE III OF THE HUNTERS VIEW HOUSING DEVELOPMENT
(Phase IIIA-Development and Phase IIIB-Development)**

This Disposition and Development Agreement ("Agreement") is entered into as of the 28th day of January 2021 by and between the HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body corporate and politic (the "Authority") and HUNTERS VIEW ASSOCIATES, L.P., a California limited partnership (the "Master Developer").

A. These Recitals refer to and utilize certain capitalized terms that are defined in Article 1 of this Agreement. The Parties intend to refer to those definitions in connection with their use in these Recitals.

B. Hunters View is a public housing development owned by the Authority in the City and County of San Francisco, California and which consisted of 267 rental units which is undergoing a multiphase renovation to create a new viable mixed-finance project, pursuant to 24 CFR Part 905, the Public Housing Capital Fund Program, Subpart F, 24 CFR 905.604- Mixed Finance Development (previously, Subpart F, Public/Private Partnerships for the Mixed-Finance Development of Public Housing Units, 24 CFR Part 941), the Rental Assistance Demonstration ("RAD") Program, authorized by the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55), as permitted by HUD, and or the Project Based Voucher Program, pursuant to 24 CFR 983. In addition, it was the first project being developed under the City and County of San Francisco, a subdivision of the State of California (the "City") and the Authority under the City's HOPE SF ("HOPE SF") Program.

C. The entire development will consist of, collectively: (i) the demolition of the original two hundred and sixty-seven (267) public housing apartment units on the Property; and (ii) (a) the new construction of two hundred and sixty-seven (267) replacement public housing units, plus up to an additional five hundred and thirty-three (533) mixed income housing units, (b) the construction of off street parking, new roadways, and sidewalks, (c) the construction of up to six thousand five hundred (6,500) square feet of neighborhood servicing retail space, and (d) the construction of up to eight thousand five hundred (8,500) square feet of child care space, community parks, and landscaping to be developed (collectively, the "Improvements") on the Property (the "Development"). The Development will be constructed as a green and sustainable community and meet both the HUD Renewable Energy and Green Construction requirements (described below) and LEED ND. All of the existing public housing units will be replaced with newly constructed apartment units (the "PHA-Replacement Units") with Annual Contributions Contract ("ACC"), Project-Based Section 8 Vouchers under the RAD Program, and/ or Project-Based Section 8 Vouchers, and all except for six (6) of such units will be low-income housing tax credit units for households with incomes at or below fifty percent (50%) of the area median income, as adjusted for household size. The non-tax credit units shall be designated for Existing Hunters View Residents who are not eligible to occupy a tax-credit unit. The Master Developer intends to construct the Development in three (3) or more phases, which may include sub-phases, as described herein.

D. The Development is located in the City of San Francisco, as is more particularly described in Exhibit A (the "Property").

E. The Master Developer and the Authority have negotiated and have executed a Master Development Agreement dated July 23, 2009 ("MDA") governing the various components of the Development. The MDA sets forth the preliminary agreements and the framework within which the Master Developer and the Authority will conduct further negotiations intended to result in one or more additional disposition and development or similar agreements specific to each component of the Revitalization. This Agreement governs the third phase of the Development, the Phase III-Development.

F. The first phase of the Development has been partially completed and is governed by that certain Disposition and Development Agreement for the Hunters View Housing Development by and between the Authority and the Master Developer dated as of July 8, 2010, and the Ground Lease Agreement (Phase IA(1)- Hunters View Project) dated as of January 13, 2011, the Ground Lease Agreement (Phase IA(2)- Hunters View Project) dated as of January 13, 2011, the Ground Lease Agreement (Phase IB- Hunters View Project) and the Master Declaration of Covenants and Restrictions For Hunters View Planned Development, dated as of July 21, 2011, and recorded on July 29, 2011 as Instrument Number 2011-J22966 in the City's Recorder Office, as amended (the "Master Declaration of Restrictions").

G. The second phase of the Development also has been partially completed and is governed by among other documents that certain Disposition and Development Agreement for Phase II of the Hunters View Housing Development (Phase IIA(1), Phase IIA(2) and Phase IIB dated December 19, 2013; the Ground Lease Agreement (Phase IIA(1)- Hunters View Project-Rental Housing dated December 19, 2013, as amended by that First Amendment to Ground Lease Agreement (Phase IIA(1)- Hunters View Project- Rental Housing, dated January 1, 2015; that certain Ground Lease Agreement for Lot 5 of Phase IIB- (Block 10) – Hunters View Project-Rental Housing dated June 12, 2014, as amended by that certain First Amendment to Ground Lease Agreement (Lot 5 of Phase IIB- Hunters View Project Rental Housing) dated November 1, 2015, and that certain Ground Lease Agreement (Phase IIA(2)- Open Space), dated December 19, 2013; that certain Ground Lease Agreement-Phase IIB- Hunters View Project dated December 19, 2013; the Master Declaration of Restrictions, as amended by the First Amendment to the Master Declaration of Restrictions, and the Declaration of Annexation dated September 25, 2014.

H. The first market rate development is currently being developed which consists of Blocks 2 and 3 in Phase IB of the Hunters View Project and Block 9 of Phase II of the Hunters View Project. The project will consist of approximately sixty (60) market rate townhouse ownership housing, and is expected to be constructed and developed in the spring of 2022.

I. All of the buildings in the former public housing Hunters View were deteriorated and physically obsolete, and have been demolished. Prior to their demolition, the Existing Residents were relocated pursuant to the Relocation Plan. The Existing Residents have the right to return to the newly constructed units within the Development, and many Existing Residents have returned to the new constructed units in the Development.

J. This Agreement is the specific development agreement for the third phase of the Development, the Phase III-Development, and consists of two components:

(i) Phase IIIA-Development will have three subparts: The Phase IIIA-Development consists of the construction of: (a) approximately one hundred eighteen (118) multi-family housing units, including fifty-three (53) PHA-Replacement Units, and all except the manager's unit, will be designated as low income tax credit housing units (collectively, the "Phase IIIA(1)-Development"); (b) certain open space and ancillary park improvements, which may be named Bayview Park (the "Phase IIIA(2)-Development"); and (c) public street and rights of way improvements, to be named Fairfax Avenue and Hunters View Drive, which will be conveyed to the City (the "Phase IIIA(3)-Development"). The Phase IIIA(1)-Development, the Phase IIIA(2)-Development and the Phase IIIA(3)-Development are located on a portion of the Property, and shown and described in Exhibit B (the "Phase IIIA-Development Site"); and

(ii) As currently contemplated, the Phase IIIB-Development (Blocks 12, 13, 15, 16 and 18) consists of the development and construction of approximately three hundred and fifty (350) housing units, which may include market rate rental units and for-sale housing (the "Phase IIIB-Development"), which will be located on that portion of the Property shown in Exhibit C (the "Phase IIIB-Development Site"). The Parties acknowledge that the Master Developer is still in the preliminary stages in the development and construction of the Phase IIIB-Development, and further that the primary purpose of this Agreement in regard to Phase IIIB-Development is to evidence that the Master Developer has site control of the Phase IIIB-Development Site and to establish the terms of disposition thereof.

K. The Phase IIIA-Development will be constructed on the Phase IIIA-Development Site as described in the Phase IIIA-Scope of Development. To facilitate the Phase IIIA-Development, this Agreement provides for the Authority to convey a leasehold interest in the Phase IIIA-Development Site under three separate ground leases to the Master Developer or an Affiliate after the recordation of the final Hunters View Phase III Subdivision Map (the "Subdivision Map"). The Authority intends to convey a fee interest to the City in those portions of the Phase IIIA-Development Site designated for public street improvements, at such time as the City has accepted such public street improvements in accordance with the Subdivision Map. The Phase IIIA(1)-Development shall be owned and operated during the Tax Credit Compliance Period by the Phase IIIA-Developer, and the rent-restricted residential units shall be leased to income qualified-tenants at affordable rents pursuant to the requirements of HUD and other applicable funding programs. MOHCD and/or the general partner of the Affiliate shall have an option to purchase the Phase IIIA(1)-Development after expiration of the Tax Credit Compliance Period, and the right of first refusal to purchase the Phase IIIA(1)-Development, subject to the terms and conditions as set forth in Section 11.5 hereof. The park improvements will be conveyed to HV Community Association.

L. The Authority and the Master Developer have entered into that certain License and Preconstruction Services Agreement dated April 27, 2017 (the "LPSA"), in which the Master Developer has agreed on behalf of the Authority to perform certain preconstruction work on the Property, as provided therein related to the demolition of existing buildings on site, the

installation of a perimeter fence and related improvements, and the remediation of hazardous materials on the Property.

M. The Phase IIIB-Development will be constructed on the Phase IIIB-Development Site as described in the Phase IIIB-Scope of Development. To facilitate the Phase IIIB-Development, this Agreement provides for the Authority to convey a leasehold interest in the Phase IIIB-Development Site under a ground lease to the Master Developer or an Affiliate after the recordation of the Subdivision Map in two or more phases. The initial phase will be a short-term lease for no more than five (5) years, with a right to extend such term for another five (5) year period, to facilitate grading and site improvement work to be constructed on both the Phase IIIA-Development Site and the Phase IIIB-Development Site. The subsequent transfer of the Phase IIIB-Development Site will be in the form of a fee conveyance from the Authority to the Master Developer or Phase IIIB-Developer, in which the Master Developer will complete the Phase IIIB-Development.

N. The Parties agree that "community building" activities, including economic development, revitalization planning, self-sufficiency and supportive services (collectively, the "Community Services"), must be a core part of the revitalization effort in order to assist current and future low income residents to gain self-sufficiency and in order to support the revitalization of the neighborhood. The Authority, the Master Developer and the City shall implement measures pursuant to this Agreement to ensure that Community Services at the Development are an integral part of the revitalization of the Property, and that members of the Hunters View community, Existing Hunters View Residents and other public housing residents are provided with the maximum feasible opportunity to participate extensively in the Community Services. In addition, the implementation of HUD's Section 3 requirements and the Authority's Affirmative Action Requirements as provided in the MOU, will provide residents with the maximum feasible opportunity to participate in the revitalization effort. In this regard, the Authority has agreed that the MOU shall govern the Master Developer's obligation to provide community participation in the Development. The Master Developer, in partnership with the City and the Authority, as necessary, will coordinate the implementation of any applicable community services plan, which plan shall be agreed upon among the Parties with input from the Hunters View residents. Any community services plan shall set forth each Party's responsibilities regarding its implementation.

O. Pursuant to NEPA, on July 30, 2008, the Mayor's Office of Housing of the City and County of San Francisco made a Finding of No Significant Impact ("FONSI") in connection with the Authority's request to HUD to (i) approve the property disposition and demolition application for the Property, dated August 14, 2008, and (ii) the Release of Funds and Certification for 2006-2007 Replacement Housing Factor Funds, dated August 6, 2008. HUD approved the availability of funding for the Improvements based upon the environmental certification on September 28, 2008. On November 3, 2009, HUD made a determination that the initial environmental assessment failed to address certain Federal standards set forth in 24 CFR 58.5. In response to such determination, the City prepared an additional environmental assessment in compliance with the foregoing regulations and on February 1, 2010, the Mayor's Office of Housing of the City and County of San Francisco made a Finding of No Significant Impact in connection with the Authority's request to HUD for the Request for Release of Funds

and Certification for American Recovery and Reinvestment Act of 2009 funds. HUD authorized the Release of Funds on March 15, 2010. The Master Developer prepared an additional Environmental Assessment for HUD- Funded Proposals dated March 2012, in which the City and HUD determined that the FONSI will still be applicable to such assessment

P. Pursuant to the California Environmental Quality Act ("CEQA") and its implementing regulations, the San Francisco City Planning Commission, as the "lead agency" under CEQA, certified a Final Environmental Impact Report on June 12, 2008, (the "EIR"), for use in consideration of the planning approvals related to the Development, following conduct of a duly noticed public hearing. The EIR called for the implementation of certain CEQA mitigation measures through the Mitigation Monitoring and Reporting Program. On January 16, 2020, the San Francisco Planning Department issued an Addendum to the EIR, for use in consideration of modifications and an extension of the planning approvals related to the Development, and determined that there are no further environmental impacts. The Authority as the "responsible agency" has considered, approved and made the required CEQA findings in connection with the EIR that has served as the environmental documentation under CEQA for the Authority's consideration of approval of this Agreement and the Development.

NOW, THEREFORE, in consideration of the foregoing recitals and underlying promises, which the Parties agree to be good and valuable consideration, the Parties agree as follows:

ARTICLE 1. MASTER DEVELOPMENT AGREEMENT; DEFINITIONS; NEPA

Section 1.1 Master Development Agreement. The Master Development Agreement, as it may be amended with HUD approval, is hereby terminated as to the Phase III-Development.

Section 1.2 Relation of the Phase IIIA-Developer and Phase IIIB-Developer to the Master Developer. The Parties anticipate that the Phase IIIA-Development and the Phase IIIB-Development will be developed by the Phase IIIA-Developer and the Phase IIIB-Developer, respectively. The Master Developer shall be deemed for the purpose of this Agreement to be the Phase IIIA-Developer and the Phase IIIB-Developer until such time as the Phase IIIA-Developer and Phase IIIB-Developer are formed and approved in accordance with this Agreement as the respective developer of the Phase IIIA-Development and the Phase IIIB-Development.

Section 1.3 Definitions. All capitalized terms used in this Agreement, but not defined shall have the meanings set forth below.

(a) "Act" means the United States Housing Act of 1937 (42 U.S.C. Section 1437, et seq.), as amended from time to time, and any successor legislation, and all implementing regulations issued thereunder or in furtherance thereof.

(b) "Additional Land Payment" means an amount equal to the fair market value of the unimproved value of the Phase III-Development Site at the time of conveyance

under the Phase IIIA(1)-Ground Lease, the Phase IIIA(2)-Ground Lease, the Phase IIIA(3)-Ground Lease and Phase IIIB-Ground Lease.

(c) "Affiliate" means, with respect to the Master Developer: (1) any entity which has the power to direct the Master Developer's management and operation, or any entity whose management and operation is controlled by the Master Developer; or (2) any entity in which an entity described in (1) has a controlling interest; or (3) any entity a majority of whose voting equity is owned by the Master Developer, or for which the Master Developer serves as the managing member or general partner; or (4) any entity in which, or with which, the Master Developer, its successors or assigns, is merged or consolidated, in accordance with applicable statutory provisions for merger or consolidation, so long as the liabilities of the entities participating in such merger or consolidation are assumed by the entity surviving such merger or created by such consolidation.

(d) "Agency" means the former Redevelopment Agency of the City and County of San Francisco, a public body corporate and politic, and now the Office of Community Investment and Infrastructure as its successor agency established pursuant to California Health and Safety Code Section 34173.

(e) "Agreement" means this Agreement (including all Exhibits attached hereto and made a part hereof), as supplemented and revised by the incorporation herein of the following documents as and when finalized or subsequently amended: (1) the Project Plan; and (2) any Mixed-Finance Proposal, if applicable.

(f) "Applicable Requirements" means Federal, State, and local applicable laws, rules and regulations.

(g) "Approved Phase IIIA-Development Budget" refers to the Phase IIIA-Development Budget approved by the Authority.

(h) "Architect" shall refer to Mithun Solomon, and Paulett Taggart Architects & David Baker + Partners JV or any successor approved by the Authority.

(i) "Authority" means the Housing Authority of the City and County of San Francisco organized pursuant to Section 34200, et seq. of the California Health and Safety Code, as amended, including any successor in interest or assigns by act of the Authority, or by operation of law, or otherwise.

(j) "Authority Board" means the Board of Commissioners of the Authority.

(k) "Authority Closing Documents" means all documents between the Master Developer and the Authority as may be necessary to comply HUD Requirements and otherwise ensure the availability of housing assistance payments under the HUD PBV program required by the Project Plan, including but not limited to a DDA and/or a Ground Lease, a Declaration of Trust, if applicable, or other documents as may be necessary to effectuate the requirements of this Agreement, including but not restricted to conveyance, financing and security documents

(l) "Cash-Flow MOU" means that Memorandum of Understanding For the Proposed Redevelopment of Hunters View Housing Project, dated November 10, 2010, among the Authority, the Agency and the City, as amended on April 8, 2014, the provisions of which are incorporated herein by this reference.

(m) "CEQA" shall have the meaning set forth in Recital O.

(n) "Certificate of Preference Holders" or "COP" means a person or household on the Housing Authority's waiting list with a Certificate of Preferences (as defined in the Authority's Admissions and Continued Occupancy Policy) from the Authority. Certificate of Preference Holders are identified in the Authority's Admissions and Continued Occupancy Policy as a preference group.

(o) "City" means the City and County of San Francisco, California, a subdivision of the State of California.

(p) "DDA" shall refer to this Disposition and Development Agreement for Phase III of the Hunters View Housing Development, also referred to as this "Agreement".

(q) "Declaration of Trust" shall refer to a Declaration of Trust and Restrictive Covenants recorded against the Phase III-Development Site, or a portion thereof, evidencing long-term use restrictions required by HUD under the Act, if applicable.

(r) "Development" shall have the meaning set forth in Recital C.

(s) "EIR" means the Hunters View Redevelopment Project Final Environmental Impact Report, Case No. 2007.0168E certified on June 12, 2008, by the Planning Department of the City, and the Addendum to the EIF issued on January 16, 2020 by the Planning Department of the City.

(t) "Engineers" shall mean Carlile Macy, or any successor approved by the Authority.

(u) "Environmental Law" shall mean any present or future federal, State or local law, ordinance, rule, regulation, permit, license or binding determination of any governmental authority relating to, imposing liability or standards concerning, or otherwise addressing the environment, health or safety, including, but not limited to: the National Environmental Policy Act, 42 U.S.C. 4321 et seq. ("NEPA"), the Protection and Enhancement of Environmental Quality 24 CFR Part 50, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., ("CERCLA"); the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., ("RCRA"); the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq. ("TOSCA"); the Clean Air Act, 42 U.S.C. Section 7401 et seq.; and the Clean Water Act, 33 U.S.C. Section 1251 et seq., and any so-called "Superfund" or "Superlien" law; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq. ("OSHA"); the California Environmental Quality Act, as amended, the California Public Resource Code, Section 21000 et seq. ("CEQA"); the State CEQA Guidelines (Calif. Admin. Code Title 14, Section 15000 et seq. ("CEQA Guidelines")); the Polanco

Redevelopment Act, California Health and Safety Code 33459 et seq.; the Carpenter-Presley-Tanner Hazardous Substance Account Act of 1999, California Health and Safety Code Section 25300 et seq.; as each is from time to time amended and hereafter in effect.

(v) "Environmental Reports" means collectively, the reports included in Exhibit Q of this Agreement, incorporated herein by this reference.

(w) "Event of Default" shall have the meaning set forth in Section 21.1 with respect to the Phase IIIA Developer and Section 33.1 with respect to the Phase IIIB-Developer and Section 21.2 and Section 33.2 with respect to the Authority.

(x) "Existing Hunters View Residents" shall mean any resident who occupied a residential unit located on the Property on or after November 1, 2005 through April 1, 2017, who received the required relocation notices consistent with the Relocation Plan.

(y) "Guarantor" means any guarantor required to execute a guaranty under Section 8.2(c).

(z) "Hazardous Materials" means:

(1) "hazardous substances" as defined by CERCLA;

(2) "hazardous wastes" as defined by RCRA;

(3) any hazardous, dangerous or toxic chemical, waste, pollutant, contaminant or substance ("pollutant") within the meaning of any Environmental Law prohibiting, limited or otherwise regulating the use, exposure, release, emission, discharge, generation, manufacture, sale, transport, handling, storage, treatment, reuse, presence, disposal or recycling of such pollutant;

(4) any radioactive material, including any source, special nuclear or by-product material as defined in 42 U.S.C. Section 2011 et seq. and amendments thereto and reauthorizations thereof;

(5) asbestos-containing materials in any form or condition;

(6) petroleum crude oil or fraction thereof; or

(7) polychlorinated biphenyls in any form or condition.

Hazardous Materials shall not include commercially reasonable amounts of such material used in the ordinary course of operation of the Property or the Development which are used and stored in accordance with all applicable environmental laws, ordinances and regulations.

(aa) "Hazardous Materials Documents" shall have the meaning set forth in Section 7.12(a)

(bb) "HOPE SF" shall have the meaning set forth in Recital B.

(cc) "HOPE VI Program" means the Revitalization of Severely Distressed Public Housing Program as authorized by Section 24 of the Act and, for this HOPE VI Grant, by the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, FY 1999.

(dd) "HUD" means the United States Department of Housing and Urban Development.

(ee) "HUD Funds" shall mean funds provided to the Authority by HUD, including but not limited to any HUD funds that the Authority will be providing to the Phase III-Development, including but not limited to Project-Based Section 8 Vouchers.

(ff) "HUD Funds Agreement(s)" shall mean those agreements to be entered into between HUD and the Authority to evidence and any HUD funds that the Authority will be providing to the Phase III-Development, including but not limited to Project-Based Section 8 Vouchers.

(gg) "HUD Requirements" means all requirements of HUD and federal law, regulation or HUD guidance as applicable to the Phase IIIA-Development or a given element thereof (including, as applicable in a given context, requirements relating to the public housing program, a Choice Neighborhoods Initiative Implementation Grant, and/or Section 8 rental assistance) including (as applicable, in a given context): the Housing Act; HUD regulations; the Authority's Consolidated Annual Contributions Contract with HUD, including amendments; a Declaration of Trust in favor of HUD (as the same may be amended); HUD notices; and all applicable federal statutes, executive orders and regulatory requirements; as such requirements may be amended from time to time.

(hh) "HV Community Association" means HV Community Association, Inc., a nonprofit mutual benefit corporation.

(ii) "Improvements" shall have the meaning set forth in Recital C.

(jj) "Infrastructure Improvements" has the meaning set forth in Section 2.4.

(kk) "Low-Income Housing Tax Credit" or "LIHTC" refers to the credit available under Section 42 of the Internal Revenue Code of 1986, as amended.

(ll) "LPSA" has the meaning set forth in recital L above.

(mm) "Market Rate Housing" has the meaning set forth in Article 24.

(nn) "Master Declaration of Restrictions" has the meaning set forth in Recital F above.

(oo) "Master Developer" means Hunters View Associates, L.P., a California limited partnership, and shall mean the Phase IIIA-Developer or the Phase IIIB-Developer, as applicable.

(pp) "Master Development Agreement" or "MDA" means that certain Master Development Agreement between the Authority and the Master Developer dated July 23, 2009, for the Revitalization.

(qq) "Memorandum of Phase IIIA(1)-Ground Lease" shall have the meaning set forth in Section 4.4(b)(1).

(rr) "Memorandum of Phase IIIA(2)-Ground Lease" shall have the meaning set forth in Section 13.4(b)(2).

(ss) "Memorandum of Phase IIIA(3)-Ground Lease" shall have the meaning set forth in Section 4.5(b)(1).

(tt) "Memorandum of Phase IIIB-Initial Ground Lease" shall have the meaning set forth in Section 25.4(c).

(uu) "MOU" means the Interagency Memorandum of Understanding for the Hunters View Development Project by and among the Authority, the Agency, MOHCD, the Mayor's Office of Community Investment/"Communities of Opportunities" and the Department of Economic and Workforce Development to govern Contract/Workforce Compliance Workforce Development & Training, as the same may be amended from time to time.

(vv) "NEPA" means the National Environmental Policy Act as amended ("NEPA") and its implementing regulations.

(ww) "Official Records" means the official records of the City and County of San Francisco, California.

(xx) "Parties" or "Party" means the Authority and the Master Developer or individually, the Authority or the Master Developer.

(yy) "Permitted Exceptions" shall have the meaning set forth in Section 4.5(a).

(zz) "PHA-Replacement Units" means collectively, the public housing replacement units designated to receive Project Based Section 8 Vouchers, or any other units designated in the Phase III-Development to provide replacement housing for the public housing units demolished in connection with the Development.

(aaa) "Phase III-Development" means collectively, the Phase IIIA-Development and the Phase IIIB-Development.

(bbb) "Phase IIIA(1)-Construction Completion" means the date on which a Certificate of Occupancy or Temporary Certificate of Occupancy is issued for all units in the Phase IIIA(1)-Vertical Component by the appropriate local authority.

(ccc) "Phase IIIA-Developer" means the Master Developer and/or HV Partners 3, LP, a California limited partnership, as applicable, which will be the developer of the Phase IIIA-Development.

(ddd) "Phase IIIA(1)-Developer Fee" shall have the meaning set forth in Section 8.3(a).

(eee) "Phase IIIA-Development" has the meaning set forth in Recital H hereof, and shall also mean the Phase IIIA(1)-Development, the Phase IIIA(2)-Development or the Phase IIIA(3)-Development, as applicable.

(fff) "Phase IIIA-Development Budget" means the budget for the Phase IIIA-Development included in Exhibit I attached hereto, as it may be amended by the Parties.

(ggg) "Phase IIIA-Development Contingencies" shall have the meaning described in Section 20.1.

(hhh) "Phase IIIA(1)-Development Site" means the portion of the Property on which the Phase IIIA(1)-Development is to be constructed, which shall include Blocks 14 and 17 (Lots 3 and 4), as shown in Exhibit B.

(iii) "Phase IIIA(2)-Development Site" means the portion of the Property on which the Phase IIIA(2)-Development is to be constructed, which shall include the private open space improvements, Lots A and B, as shown in Exhibit B.

(jjj) "Phase IIIA(3)-Development Site" means the portion of the Property on which the Phase IIIA(1)-Development is to be constructed, which shall include Lots 8 and 9 (Fairfax Avenue and Hunters View Drive), as shown in Exhibit B.

(kkk) "Phase IIIA-First Closing" means the date on which the LPSA was executed, and was the date on which the Master Developer commenced portions of the Preconstruction and Horizontal Component Activities in accordance to the Phase IIIA-Schedule of Performance.

(lll) "Phase IIIA(1)-Ground Lease" shall have the meaning set forth in Section 3.3.

(mmm)"Phase IIIA(2)-Ground Lease" shall have the meaning set forth in Section 12.3.

(nnn) "Phase IIIA(3)-Ground Lease" shall have the meaning set forth in Section 3.4.

(ooo) "Phase IIIA(3)-Horizontal Component" shall have the meaning set forth in Section 2.4.

(ppp) "Phase IIIA(3)-Horizontal Construction Documents" shall include, or incorporate as they come into existence all documents relating to the construction of the Phase IIIA(3)-Horizontal Component, including: (a) the construction contract(s) and the general, special, and supplemental conditions to such contract(s); (b) the purchase orders for materials and equipment; (c) site surveys, soil boring tests and any other tests, examinations or documents prepared from time to time in connection with the Phase IIIA(3)-Horizontal Component; (d) the

Phase IIIA(3)-Horizontal Final Construction Drawings; and (e) all written or graphic interpretations, clarifications, amendments, shop drawings and changes of any of the foregoing.

(qqq) "Phase IIIA(3)-Horizontal Construction/Permanent Loans" means the loans to be made by any lender, to the Phase IIIA-Developer or its Affiliate, to construct the Phase IIIA(3)-Horizontal Component.

(rrr) "Phase IIIA(3)-Horizontal Contractor" means any person or entity who or which performs a portion of the Phase IIIA(3)-Horizontal Component Work or supplies labor, materials, or equipment for use in connection with the Phase IIIA(3)-Horizontal Work.

(sss) "Phase IIIA(3)-Horizontal Design Drawings" shall have the meaning set forth in Section 6.3(a).

(ttt) "Phase IIIA(3)-Horizontal Design Documents" shall have the meaning set forth in Section 6.3.

(uuu) "Phase IIIA(3)-Horizontal Financing Plan" means the plan for financing the Phase IIIA(3)-Horizontal Component including the applicable portion of the Approved Phase IIIA-Development Budget and sources and use analysis, as further detailed in Section 14.1 and attached hereto as Exhibit H.

(vvv) "Phase IIIA(3)-Horizontal Final Construction Drawings" shall have the meaning set forth in Section 6.3.

(www) "Phase IIIA(3)-Horizontal Schematic Design" means the schematic rendering of the improvements to be constructed as part of the Phase IIIA(3)-Horizontal Component included in the Phase IIIA(3)-Horizontal Schematic Design attached hereto as Exhibit J-1 as the Parties may revise from time to time.

(xxx) "Phase IIIA(3)-Horizontal Work" is the total construction of the Phase IIIA(3)-Horizontal Component as described in the Phase IIIA(3)-Horizontal Construction Documents.

(yyy) "Phase IIIA(2)-Component" shall have the meaning set forth in Section 2.4.

(zzz) "Phase IIIA(2)-Construction Documents" shall include, or incorporate as they come into existence all documents relating to the construction of the Phase IIIA(2)-Component, including: (a) the construction contract(s) and the general, special, and supplemental conditions to such contract(s); (b) the purchase orders for materials and equipment; (c) site surveys, soil boring tests and any other tests, examinations or documents prepared from time to time in connection with the Phase IIIA(2)-Component written or graphic interpretations, clarifications, amendments, shop drawings and changes of any of the foregoing.

(aaaa) "Phase IIIA(2)-Construction/Permanent Loans" means the loans to be made by any lender to the Phase IIIA-Developer or its Affiliate, to construct the Phase IIIA(2)-Component.

(bbbb) "Phase IIIA(2)-Contractor" means any person or entity who or which performs a portion of the Phase IIIA(2)-Component Work or supplies labor, materials, or equipment for use in connection with the Phase IIIA(2)-Work.

(cccc) "Phase IIIA(2)-Design Drawings" shall have the meaning set forth in Section 15.2.

(dddd) "Phase IIIA(2)-Design Documents" shall have the meaning set forth in Section 15.2.

(eeee) "Phase IIIA(2)-Financing Plan" means the plan for financing the Phase IIIA(2)-Component including the applicable portion of the Approved Phase IIIA-Development Budget and sources and use analysis, as further detailed in Section 14.1 and attached hereto as Exhibit H.

(ffff) "Phase IIIA(2)-Final Construction Drawings" shall have the meaning set forth in Section 15.3.

(gggg) "Phase IIIA(2)-Schematic Design" means the schematic rendering of the improvements to be constructed as part of the Phase IIIA(2)-Component included in the Phase IIIA(2)-Schematic Design attached hereto as Exhibit K as the Parties may revise from time to time.

(hhhh) "Phase IIIA(2)-Work" is the total construction of the Phase IIIA(2)-Component as described in the Phase IIIA(2)-Construction Documents.

(iiii) "Phase IIIA(1)-Schedule of Performance" means the development schedule for the Phase IIIA(1)-Development attached hereto as Exhibit J as may be amended by the Parties from time to time.

(jjjj) "Phase IIIA(2)-Schedule of Performance" means the development schedule for the Phase IIIA(2)-Development attached hereto as Exhibit J as may be amended by the Parties from time to time.

(kkkk) "Phase IIIA(3)-Schedule of Performance" means the development schedule for the Phase IIIA(3)-Development attached hereto as Exhibit J as may be amended by the Parties from time to time.

(llll) "Phase IIIA-Scope of Development" means the description of the improvements to be constructed as part of the Phase IIIA-Development attached hereto as Exhibit L as the Parties may revise from time to time.

(mmmm) "Phase IIIA-Second Closing" means the date on which the Phase IIIA(1)-Development Site, the Phase IIIA(2)-Development Site and the Phase IIIA(3)-

Development Site are conveyed to the Phase IIIA-Developer pursuant to the terms of the Phase IIIA(1)-Ground Lease, the Phase IIIA(2)-Ground Lease, and the Phase IIIA(3)-Ground Lease which shall occur by the time set forth in the Phase IIIA(1)-Schedule of Performance, the Phase IIIA(2)-Schedule of Performance and the Phase IIIA(3)-Schedule of Performance. After the leasehold conveyance of the Phase III-Development Site, the Phase IIIA-Developer shall commence construction of the Phase IIIA-Horizontal Component.

(nnnn) "Phase IIIA-Third Closing" means the date on which: (i) the Tax Credit Investor is admitted into the Phase IIIA(1)-Developer; (ii) the construction loans for the Phase IIIA(1)-Development are recorded; and (iii) the Phase IIIA(1)-Developer commences construction of the Phase IIIA(1)-Vertical Component.

(oooo) "Phase IIIA(1)-Vertical Component" shall mean the improvements which consist of the affordable housing units to be constructed on the Phase IIIA(1) Development Site, and ancillary improvements related thereto, all as shown in Exhibit B.

(pppp) "Phase IIIA(1)-Vertical Construction Documents " shall include, or incorporate as they come into existence: (a) the construction contract(s) and the general, special, and supplemental conditions to such contract(s); (b) the purchase orders for materials and equipment; (c) site surveys, soil boring tests and any other tests, examinations or documents prepared from time to time in connection with the Phase IIIA(1)-Vertical Component; (d) the Phase IIIA(1)-Vertical Final Construction Drawings; and (e) all written or graphic interpretations, clarifications, amendments, shop drawings and changes of any of the foregoing.

(qqqq) "Phase IIIA(1)-Vertical Construction/Permanent Loans" means the loans to be made by any lender, to the Phase IIIA-Developer or its Affiliate, to construct the Phase IIIA(1)-Vertical Component.

(rrrr) "Phase IIIA(1)-Vertical Contractor" means any person or entity who or which performs a portion of the Phase IIIA(1)-Vertical Component Work or supplies labor, materials, or equipment for use in connection with the Phase IIIA(1)-Vertical Work.

(ssss) "Phase IIIA(1)-Vertical Design Drawings" shall have the meaning set forth in Section 9.3(a).

(tttt) "Phase IIIA(1)-Vertical Design Documents" shall have the meaning set forth in Section 9.2.

(uuuu) "Phase IIIA(1)-Vertical Financing Plan" means the plan for financing the Phase IIIA(1)-Vertical Component including the applicable portion of the Approved Phase IIIA-Development Budget and sources and use analysis, as further detailed in Section 8.1 and attached hereto as Exhibit H.

(vvvv) "Phase IIIA(1)-Vertical Schematic Design" means the schematic rendering of the improvements to be constructed as part of the Phase IIIA(1)-Vertical Component, included in the Phase IIIA(1)-Schematic Design attached hereto as Exhibit J-2 as the Parties may revise from time to time

(www) "Phase IIIA(1)-Vertical Work" is the total construction of the Phase IIIA(1)-Vertical Component as described in the Phase IIIA(1)-Vertical Construction Documents.

(xxxx) "Phase IIIB-Construction Completion" means the date on which a Certificate of Occupancy or Temporary Certificate of Occupancy is issued for all of the units in the Phase IIIB-Vertical Component by the appropriate local authority.

(yyyy) "Phase IIIB-Developer" the Master Developer or a to-be formed entity, approved by the Authority and subject to 2 CFR Part 200, which will be the developer of the Phase IIIB-Development.

(zzzz) "Phase IIIB-Development" has the meaning set forth in Recital H hereof.

(aaaa) "Phase IIIB-Development Budget" refers to the preliminary budget for the Phase IIIB-Development (attached hereto as Exhibit L), as it may be amended.

(bbbb) "Phase IIIB-Development Contingencies" shall have the meaning set forth in Section 26.1.

(cccc) "Phase IIIB-Development Site" means the portion of the Property on which the Phase IIIB-Development is to be constructed, which shall include Blocks 12, 13, 15, 16 and 18, shown as Lots 1, 2 and 5-7 on Exhibit B.

(dddd) "Phase IIIB-Disposition and Development Agreement" shall have the meaning set forth in Section 27.1

(eeee) "Phase IIIB-First Closing" means the date on which the Phase IIIB-Development Site is conveyed to the Master Developer pursuant to the terms of the Phase IIIB-Ground Lease. Such conveyance shall occur by the time set forth in the Phase IIIB-Schedule of Performance and is anticipated to occur concurrently with the Phase IIIA-Second Closing.

(ffff) "Phase IIIB-Ground Lease" shall have the meaning set forth in Section 27.1.

(gggg) "Phase IIIB-Initial Ground Lease" shall have the meaning set forth in Section 25.1.

(hhhh) "Phase IIIB-Horizontal Component" shall mean those certain Infrastructure Improvements to be constructed on the Phase IIIB-Development Site as described in Exhibit E.

(iiii) "Phase IIIB-Horizontal Construction Documents" shall include, or incorporate as they come into existence: (a) the construction contract(s) and the general, special, and supplemental conditions to such contract(s); (b) the purchase orders for materials and equipment; (c) site surveys, soil boring tests and any other tests, examinations or documents prepared from time to time in connection with the Phase IIIB-Horizontal Component; (d) the

Phase IIIB-Horizontal Final Construction Drawings; and (e) all written or graphic interpretations, clarifications, amendments, shop drawings and changes of any of the foregoing.

(jjjjj) "Phase IIIB-Horizontal Construction/Permanent Loans" means the loans to be made by the Authority or any lender, to the Phase IIIB-Developer or its Affiliate, to construct the Phase IIIB-Horizontal Component.

(kkkkk) "Phase IIIB-Horizontal Contractor" means any person or entity who or which performs a portion of the Phase IIIB-Horizontal Component Work or supplies labor, materials, or equipment for use in connection with the Phase IIIB-Horizontal Work.

(lllll) "Phase IIIB-Horizontal Design Drawings" shall have the meaning set forth in Section 28.3(a).

(mmmmm) "Phase IIIB-Horizontal Design Documents" shall have the meaning set forth in Section 28.2.

(nnnnn) "Phase IIIB-Horizontal Financing Plan" means the plan for financing the Phase IIIB-Horizontal Component including the applicable portion of the Approved Phase IIIB-Development Budget and sources and use analysis, as further detailed in Section 26.5 and attached hereto as Exhibit N.

(ooooo) "Phase IIIB-Horizontal Final Construction Drawings" shall have the meaning set forth in Section 28.3(b).

(ppppp) "Phase IIIB-Horizontal Schematic Design" means the schematic rendering of the improvements to be constructed as part of the Phase IIIB-Horizontal Component included in the Phase IIIB-Horizontal Schematic Design as the Parties may revise from time to time.

(qqqqq) "Phase IIIB-Horizontal Work" is the total construction of the Phase IIIB-Horizontal Component as described in the Phase IIIB-Horizontal Construction Documents.

(rrrrr) "Phase IIIB-Schedule of Performance" shall mean the development schedule for the Phase IIIB-Development attached hereto as Exhibit N, as may be amended by the Parties from time to time.

(sssss) "Phase IIIB-Scope of Development" means the description of the improvements to be constructed as part of the Phase IIIB-Development attached hereto as Exhibit S as the Parties may revise from time to time.

(ttttt) "Phase IIIB-Vertical Component" shall mean the housing units and ancillary improvements to be constructed on the Phase IIIB-Development Site, as more particularly set forth in the Phase IIIB-Vertical Construction Documents.

(uuuuu) "Phase IIIB-Vertical Construction Documents " shall include, or incorporate as they come into existence: (a) the construction contract(s) and the general, special, and supplemental conditions to such contract(s); (b) the purchase orders for materials and

equipment; (c) site surveys, soil boring tests and any other tests, examinations or documents prepared from time to time in connection with the Phase IIIB-Vertical Component; (d) the Phase IIIB-Vertical Final Construction Drawings; and (e) all written or graphic interpretations, clarifications, amendments, shop drawings and changes of any of the foregoing.

(vvvvv) "Phase IIIB-Vertical Construction/Permanent Loans" means the loans to be made by the Authority or any lender, to the Phase IIIB-Developer or its Affiliate, to construct the Phase IIIB-Vertical Component.

(wwwww) "Phase IIIB-Vertical Contractor" means any person or entity who or which performs a portion of the Phase IIIB-Vertical Component Work or supplies labor, materials, or equipment for use in connection with the Phase IIIB-Vertical Work.

(xxxxx) "Phase IIIB-Vertical Design Drawings" shall have the meaning set forth in Section 30.3(a).

(yyyyy) "Phase IIIB-Vertical Design Documents" shall have the meaning set forth in Section 30.2.

(zzzzz) "Phase IIIB-Vertical Schematic Design" means the schematic rendering of the improvements to be constructed as part of the Phase IIIB-Vertical Component, included in the Phase IIIB-Vertical Schematic Design as the Parties may revise from time to time.

(aaaaa) "Phase IIIB-Vertical Work" is the total construction of the Phase IIIB-Vertical Component as described in the Phase IIIB-Vertical Construction Documents.

(bbbbb) "Preconstruction and Horizontal Component Activities" shall have the meaning set forth in Section 2.1.

(ccccc) "Project-Based Section 8 Vouchers" shall mean the Project-Based Section 8 Vouchers allocated to the Authority by HUD to cover a certain number of the affordable housing units, including some of the PHA Replacement Units, pursuant to 24 CFR 983.

(ddddd) "Project Plan" means, as applicable, the development proposal described in the Authority Demolition and Disposition Application, as amended to HUD or the development proposal described in the Authority Mixed-Finance Project application to HUD, which will describe the overall development proposal.

(eeeeee) "Property" has the meaning set forth in Recital D hereof.

(ffffff) "Purchase Option" shall have the meaning set forth in Section 11.5.

(ggggg) "Release of Declaration of Trust" means release of that certain Declaration of Trust recorded on November 1, 1955, as Recorder's Serial Number 1955-C28806; that certain Declaration of Trust recorded on January 24, 1989, as Recorder's Serial Number 1989-E312299; and that certain Declaration of Trust recorded on March 19, 2007, as Recorder's Serial Number 2007-I354630.

(hhhhh) "Relocation Plan" means the Relocation Plan for the Revitalization approved by Authority Board on January 9, 2009.

(iiiiii) "Revitalization" means the totality of activities and tasks described in the Project Plan.

(jjjjj) "Rider to Section 8 PBV" means the Rider to the Section 8 Project Based Voucher (PBV) Housing Assistance Payments (HAP) Contract for New Construction or Rehabilitation Housing (Public Housing Conversions: First Component).

(kkkkk) "Section 3" means Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u, and its implementing regulations at 24 CFR Part 135.

(lllll) "Subdivision Map" shall have the meaning set forth in Recital I hereof.

(mmmmm) "Surplus Cash Flow" shall have the meaning set forth in Section 8(a)(1).

(nnnnn) "Tax Credit Compliance Period" means the fifteen (15) year compliance period as described in Section 42(i)(1) of the Internal Revenue Code of 1986 starting with the first year of the credit period.

(ooooo) "Tax Credit Investor" means the reputable low income housing tax credit equity investor, reasonably acceptable to the Authority, committed to purchase a limited partner interest in the Phase IIIA-Developer.

(ppppp) "TCAC" shall refer to the California Tax Credit Allocation Committee.

(qqqqq) "Term" shall have the meaning set forth in Section 38.1.

(rrrrr) "Title Company" means the Old Republic Title Company, its San Francisco office, or another title insurance company agreed upon by the Parties.

(sssss) "Transfer" shall have the meaning set forth in Section 38.8.

Section 1.4 List of Exhibits.

Exhibit A-1	Property Legal Description
Exhibit B-1	Phase IIIA-Development Site Description
Exhibit B-2	Phase IIIA(1)-Vertical Component
Exhibit C	Phase IIIB-Development Site Description
Exhibit D	Abatement and Demolition Work
Exhibit E	Infrastructure Work
Exhibit F	Schedule for Preconstruction and Horizontal Component Activities
Exhibit G-1	Phase IIIA(1), Phase IIIA(2) and Phase IIIA(3)-Horizontal Financing Plan
Exhibit G-2	Phase IIIA(1)-Vertical Financing Plan

Exhibit H	Phase IIIA(1) and Phase IIIA(3)-Development Budget
Exhibit I-1	Phase IIIA(1)-Schedule of Performance and Phase IIIA(3)-Schedule of Performance
Exhibit I-2	Phase IIIA(2)-Schedule of Performance
Exhibit J-1	Phase IIIA(3)-Horizontal Schematic Design
Exhibit J-2	Phase IIIA(1)-Vertical Schematic Design
Exhibit K	Phase IIIA-Scope of Development
Exhibit L	Phase IIIB-Development Budget
Exhibit M	Phase IIIB-Horizontal Financing Plan
Exhibit N	Phase IIIB-Schedule of Performance
Exhibit O-1	Phase IIIB-Horizontal Schematic Design
Exhibit O-2	Phase IIIB-Vertical Schematic Design
Exhibit P	Site Plan
Exhibit Q	List of Hazardous Materials Documents
Exhibit R	Memorandum of Understanding
Exhibit S	Phase IIIB-Scope of Development

ARTICLE 2.

PRECONSTRUCTION AND HORIZONTAL COMPONENT ACTIVITIES

Section 2.1 Overview.The Master Developer and the Authority agree that the Master Developer intends to perform certain preconstruction and infrastructure activities required to prepare portions of the Property for the construction of the Phase III-Development. Such preconstruction and infrastructure activities include the Abatement Work, the Demolition Work, and the Infrastructure Improvement Work (collectively, the "Preconstruction and Horizontal Component Activities").

Section 2.2 Abatement Work.The Parties acknowledge and agree that the Property is in need of certain hazardous material remediation work, which must be completed prior to the commencement of the start of the Infrastructure Improvement Work. For the purpose of this Agreement, "Abatement Work" shall mean the scope of work to be completed by the Master Developer on the Property, as identified in Exhibit D attached hereto and incorporated herein by this reference. The Master Developer shall commence and complete the Abatement Work within the time set forth in the Schedule for the Preconstruction and Horizontal Component Activities, attached hereto as Exhibit F, and incorporated herein by this reference.

Section 2.3 Demolition Work.The Master Developer completed the demolition of the existing buildings and other improvements on the Property on February 23, 2018 (the "Demolition Work").

Section 2.4 Infrastructure Improvements.The Master Developer (or an Affiliate approved by the Authority) intends to construct certain infrastructure improvements on the Property, contemplated in connection with the Phase III-Development. Such infrastructure improvements include construction of the new street improvements as shown on the Site Plan attached hereto as Exhibit P, and incorporated herein by this reference. For the purpose of this Agreement, "Infrastructure Improvement Work" or "Infrastructure Improvements" shall mean

the scope of work or the improvements to be completed by the Master Developer on the Property, as identified in Exhibit E, attached hereto and incorporated herein by this reference. The Master Developer shall commence and complete the Infrastructure Improvement Work within the time set forth in the Schedule for the Preconstruction and Horizontal Component Activities, which the Master Developer intends to do immediately after the Phase IIIA-Second Closing.

(a) Subject to the City's acceptance of the public Infrastructure Improvements, the Master Developer will convey the Infrastructure Improvements to the City upon the recordation of the Subdivision Map. The Authority will concurrently with such conveyance, convey the fee interest by grant deed, to the City that portion of the Property associated with such public Infrastructure Improvements. Upon such conveyance to the City: (i) Authority and Master Developer shall execute and record a termination of the Phase IIIA(3)-Ground Lease with respect to that portion of the Property; and (ii) Authority shall record partial or full reconveyances with respect to any deeds of trust or other liens secured by such portion of the Property for the benefit of the Authority, if any.

(b) Upon completion of the Phase IIIA(2)-Development, the Master Developer intends to transfer such Infrastructure Improvements to the HV Community Association which will own and manage such Infrastructure Improvements for the benefit of the entire Development. Concurrent with the transfer from the Master Developer, the Authority, intends to transfer the fee interest in the Phase IIIA(2)-Development Site by grant deed to the HV Community Association, conditioned upon the Master Developer meeting its obligations under this DDA, the Phase IIIA(2)-Ground Lease, and any other conditions imposed on the Phase III(A)(2)-Development, by a government entity with jurisdiction over the Phase III(A)(2)-Development.

Section 2.5 Relocation Activities.

(a) The Authority has relocated the Existing Hunters View Residents to relocation housing in accordance with the Relocation Plan, in accordance with all applicable Federal, State and local requirements governing the relocation of residents and the provision of replacement housing under this Section 2.5 including the Uniform Relocation Act (46 U.S.C. 4600 et seq.), and its implementing regulations (49 C.F.R. Part 24), the relocation requirements of Section 18 of the United States Housing Act of 1937 (46 U.S.C. 1437p), and its implementing regulations, the Demolition or Disposition of Public Housing Project (24 CFR Part 970), the California Relocation Assistance Law (California Government Code Section 7260 et seq. and the California Relocation Assistance and Real Property Acquisition Guidelines (Title 25, California Code of Regulations, Chapter 6, Section 6009 et seq.).

(b) Any displaced Existing Hunters View Residents shall have the first right to move into the newly developed PHA Replacement Units. The Authority and the Master Developer shall jointly develop (in consultation with the Hunters View Tenant's Association, as required by the Relocation Plan) a rehousing policy which will contain the following elements, at a minimum:

(1) Existing Hunters View Residents who apply to move to the Development in accordance with established procedures and who meet eligibility standards shall have a preference for the PHA Replacement Units over other applicants who are not Existing Hunters View Residents.

(2) Eligibility for Existing Hunters View Residents will be determined in accordance with the requirements set forth in the Relocation Plan.

ARTICLE 3.

PHASE IIIA(1)-DEVELOPMENT AND PHASE IIIA(3)-DEVELOPMENT

Section 3.1 Phase IIIA(1)-Scope of Development and Phase IIIA(3)-Scope of Development. As more fully described in the Phase IIIA(1)-Scope of Development, situated within the Phase IIIA(1)-Development Site shown in the Subdivision Map attached in Exhibit B, and consistent with the other Exhibits attached hereto, the Phase IIIA(1)-Development will consist of the construction of approximately one hundred eighteen (118) housing units, and all except one (1) PHA-Replacement Unit, which will serve as the manager's unit, will be assisted by the LIHTC and restricted to families eligible thereunder. Of that total, approximately fifty-three (53) of the Units will be PHA-Replacement Units. The preliminary unit types are shown on the Site Plan, attached hereto as Exhibit P. The Phase IIIA(3)-Scope of Development will consist of the development of Lots 8 and 9 (Fairfax Avenue and Hunters View Drive) as public street improvements/rights-of-way within the Phase IIIA(3)-Development Site as shown in the Subdivision Map attached in Exhibit B.

Section 3.2 Ownership Structure. The Authority will lease the Phase IIIA(1)-Development Site and Phase IIIA(3)-Development Site to the Master Developer pursuant to separate grounds leases. Subject to any legal obligations the Authority must fulfill as the current owner of the Phase IIIA(1)-Development Site and Phase IIIA(3)-Development Site, the Master Developer shall be responsible for obtaining, with assistance from the Authority, any necessary land use approvals for the development of the Phase IIIA(1)-Development Site and Phase IIIA(3)-Development Site, which approvals shall be obtained prior to the Phase IIIA-Third Closing. The Authority agrees to cooperate fully with the Master Developer's efforts to obtain such land use approvals for the Phase IIIA(1)-Development Site. The Authority shall convey in fee, by grant deed to the City, those portions of the Phase IIIA(3)-Development Site containing public street improvements at such time as the City has accepted such public improvements in accordance with the Subdivision Map, subject to the provisions of Section 2.4.

Section 3.3 Phase IIIA(1)-Ground Lease.

(a) By the time set forth in the Phase IIIA(1)-Schedule of Performance, the Authority shall enter into a ground lease to lease the Phase IIIA(1)-Development Site, and in which HUD has approved prior to its execution to the Master Developer, the terms and conditions of which shall be negotiated between the Parties (the "Phase IIIA(1)-Ground Lease"). It is the intent of the Parties that the Phase IIIA(1)-Developer shall pay a lease payment capitalized at the fair market value of the unimproved value of the leasehold interest in the Phase IIIA(1)-Development Site determined at the time of conveyance, payable at One Dollar (\$1.00)

annually as the base rent and the Additional Land Payment, payable out of Surplus Cash Flow pursuant to Section 8.2(b)(2) below.

(b) The Phase IIIA(1)-Ground Lease will provide for, without limitation, subject to final negotiations with lenders and the Tax Credit Investor, a term commencing on the date of Phase IIIA-Second Closing and expiring approximately seventy-five (75) years after recordation of the Memorandum of Phase IIIA(1)-Ground Lease. Notwithstanding anything to the contrary contained herein, the Phase IIIA(1)-Ground Lease shall include a provision in which the Authority acknowledges and agrees that the affordability restrictions imposed by the City on the Phase IIIA(1)-Development Site shall survive MOHCD's or the general partner of the Phase IIIA-Developer's exercise of the Purchase Option, the Right of First Refusal, and/or the termination of the Phase IIIA(1)-Ground Lease.

Section 3.4 Phase IIIA(3)-Ground Lease.

(a) By the time set forth in the Phase IIIA(3)-Schedule of Performance, the Authority shall enter into a ground lease to lease the Phase IIIA(3)-Development Site, and in which HUD has approved, prior to its execution the Master Developer, the terms and conditions of which shall be negotiated between the Parties (the "Phase IIIA(3)-Ground Lease"). It is the intent of the Parties that the Phase IIIA-Developer shall pay a lease payment capitalized at the fair market value of the unimproved value of the leasehold interest in the Phase IIIA(3)-Development Site determined at the time of conveyance, payable at One Dollar (\$1.00) annually as the base rent.

(b) The Phase IIIA(3)-Ground Lease will provide for, without limitation, subject to final negotiations with lenders, a term commencing on the date of Phase IIIA-Second Closing and expiring approximately five (5) years after recordation the Memorandum of Phase IIIA(3)-Ground Lease. Upon completion of the public Infrastructure Improvements, the public Infrastructure Improvements will be transferred in fee by the Master Developer to the City. Concurrently with the transfer from the Master Developer, the Authority intends to transfer, subject to the satisfaction of the conditions in Section 2.4(a), the fee interest in the Phase IIIA(3)-Development Site by grant deed to the City.

Section 3.5 Budgetary Controls. The Authority shall have no contractual liability to pay or provide any amount to the Master Developer or for the Phase IIIA(1)-Development under this Agreement. The Parties recognize that financial needs may arise which require budget revisions so that the Phase IIIA(1)-Development may be accomplished, and they will consider and pursue such revisions in good faith. The Authority shall not be obligated to pay any moneys to the Master Developer in the event the HUD Funds are terminated, withheld or are insufficient. The Authority may suspend the Revitalization until sufficient funding is secured, or if necessary, terminate this Agreement pursuant to Article 20.

Section 3.6 Master Developer Designation. Subject to events of Force Majeure as defined in Section 21.1(c), the Master Developer will implement the Phase IIIA(1)-Development in accordance with the Phase IIIA(1)-Schedule of Performance. The Master Developer will develop the Phase IIIA(1)-Development in its own name and for its own account, and not as agent or contractor of the Authority. For the purposes of 2 CFR Part 200, the Parties do not

deem the Master Developer to be performing a contract for property or services, or operating under a subgrant of federal funds, while developing the Phase IIIA(1)-Development.

Section 3.7 Mixed-Finance Rental Site. Mixed-Finance Rental Developments are housing developments developed and operated pursuant to Section 35 of the Act and regulations appearing at 24 CFR 905.604. In general terms, using the mixed-finance model, the Phase IIIA-Developer will develop, own, lease and operate the Phase IIIA(1)-Development. The remainder of the units shall be subject to tax credit restrictions and may be subject to restrictions attributable to other financing sources, other statutory or regulatory restrictions, or the agreements of the Parties.

(a) The Phase IIIA(1)-Development will be comprised of approximately one hundred eighteen (118) rental units, and all except one PHA-Replacement Unit, which will serve as the manager's unit, will be assisted by the LIHTC and restricted to families eligible thereunder. Of that total, approximately fifty-three (53) units will be PHA-Replacement Units and will receive Project-Based Section 8 Vouchers.

(b) Each Mixed-Finance Rental Unit of a given unit type will be indistinguishable from other Mixed-Finance Rental Units of the same unit type, and distributed throughout the Phase IIIA(1)-Development.

Section 3.8 Authority Commitments. Upon the performance by the Master Developer of all its prior obligations with respect to the Phase IIIA(1)-Development, as set forth herein, and upon such HUD approvals as may be required, Authority shall take the following actions and execute and deliver such documents as are required to commence construction as contemplated by the Phase IIIA(1)-Vertical Component:

(a) Site Conveyance. The Authority shall have leased the Phase IIIA(1)-Development Site pursuant to Section 4.4 to the Master Developer through the Phase IIIA(1)-Ground Lease.

(b) Project-Based Section 8 Vouchers. Upon receipt of an allocation from HUD, the Authority agrees that it will provide fifty-three (53) Project-Based Section 8 Vouchers to the PHA-Replacement Units.

ARTICLE 4.

PHASE IIIA(1) AND PHASE IIIA(3)– CONDITIONS PRECEDENT TO PERFORMANCE OF THE PHASE IIIA-SECOND CLOSING AND PHASE IIIA-THIRD CLOSING

Section 4.1 Mutual Conditions Precedent to the Phase IIIA-Second Closing and Phase IIIA-Third Closing.

(a) The following are conditions precedent to the Phase IIIA-Second Closing:

(1) Phase IIIA(1)-Ground Lease. The Phase IIIA(1)-Ground Lease required by Section 3.3(a) shall have been executed by Authority and the Master Developer.

(2) Phase IIIA(3)-Ground Lease. The Phase IIIA(3)-Ground Lease required by Section 3.4(a) shall have been executed by Authority and the Master Developer.

(b) The following are conditions precedent to the Phase IIIA-Third Closing:

(1) Additional Negotiated Agreements. The following agreements shall have been negotiated in substance and form satisfactory to HUD and executed by the respective parties thereto:

(i) Purchase Option;

(ii) Loan documents from other governmental and private lenders as shown on the Approved Phase IIIA(1)-Development Budget for the construction and permanent funding of the Phase IIIA(1)-Development, provided however, that to the extent a specific source is solely a permanent financing source, a commitment letter shall be deemed sufficient to satisfy this requirement for such source(s);

(iii) The Master Developer guaranties pursuant to Section 8.2(c);

(iv) LIHTC and syndication documents (including all guaranties required by the Tax Credit Investor pursuant to Section 8.2(c).);

(v) Management Agreement;

(vi) Management Plan;

(vii) Release of Declaration of Trust;

(viii) PBV HAP Contract

(ix) Rider to Section 8 PBV, if applicable.

(2) HUD Approvals. HUD shall have approved the Project Plan, if applicable;

(3) Funding Commitments. The Phase IIIA(1)-Development shall have received commitments of all the sources of projected assistance as enumerated in the Phase IIIA(1)-Vertical Financing Plan for the Phase IIIA(1)-Development, or substitutions mutually acceptable to Authority and the Master Developer therefor, including but not limited to equity investments, loans from private lenders, grants, loans or land transfers from the Authority and assistance from other public agencies, and all construction loans and funding sources shall be in a position to close concurrently with the Phase IIIA-Third Closing under this Agreement.

(4) Tax Credit Allocation. The Master Developer shall have: (a) obtained from issuing agencies such allocations of tax exempt bond volume cap and/or of LIHTC as will have allowed it to attract equity investments at least in the amount shown on the Approved Phase IIIA-Development Budget for the Phase IIIA-Development and as required by

Section 8.2(c); (b) ensured that any allocations were preserved through the Phase IIIA-Third Closing by meeting any carryover tests; and (c) ensured the making of such equity investments as and when required in the development process. The Master Developer shall confer and consult with the Authority before submitting any application for an allocation of tax-exempt bond volume cap or LIHTC and shall submit budgets and financial information and any other available components of such application reasonably requested by the Authority at least five (5) business days prior to the submission date. No such application will contain representations or commitments inconsistent with the Project Plan, unless with the written approval of the Authority (and the Parties' agreement to amend the Plan if such application is accepted).

(c) The conditions set forth in Section 4.1(a) and Section 4.1(b) shall be satisfied by the Phase IIIA-Second Closing and Phase IIIA-Third Closing, respectively, or such other dates as may be agreed upon by the Master Developer and Authority, unless both the Master Developer and Authority waive the condition in writing. If any of the conditions set forth in Section 4.1(a) or 4.1(b) is not waived or satisfied by the date for waiver or satisfaction set forth above, then either Party may terminate this Agreement upon thirty (30) days written notice to the other Party without further liability, except for such liability as may be provided for under any predevelopment loans or separate contracts entered into pursuant to this Agreement and except for continuing indemnities provided elsewhere in this Agreement.

(d) Once the Phase IIIA-Third Closing has occurred, this Agreement, in regards to the Phase IIIA(1)-Development, will terminate, except for any surviving indemnity provisions, and the Phase IIIA(1)-Ground Lease will govern the Parties' obligations as to matters set forth in them. In the event of any conflict between the Phase IIIA(1)-Ground Lease and this Agreement, the provisions of the Phase IIIA(1)-Ground Lease will govern. No termination of this portion of this Agreement, in and of itself, shall release the other party from the obligations it has undertaken in the Phase IIIA(1)-Ground Lease nor increase the rights and remedies it may have under such documentation.

Section 4.2 Conditions Precedent to Authority Performance.

(a) The following is the condition precedent to Authority's obligation to enter into the Phase IIIA(1)-Ground Lease and Phase IIIA(3)-Ground Lease, and close escrow at the Phase IIIA-Second Closing:

(1) No Defaults. The Phase IIIA(1)-Developer or an Affiliate(s), as applicable, shall not be in default, and shall have completed all its predevelopment obligations required to be completed prior to Phase IIIA-Second Closing hereunder.

(2) The Title Company is prepared to issue to the Authority all title insurance required by Section 4.6 to be delivered to the Authority.

(3) HUD has approved the Phase IIIA(1)-Ground Lease and the Phase IIIA(3)-Ground Lease.

(b) The following are conditions precedent to the Authority's obligation to perform at the Phase IIIA-Third Closing:

(1) Phase IIIA-Construction Documents. The Master Developer will have prepared, or will have seen to the preparation of: (i) construction plans, budgets, schedules and a construction contract as provided in Article 7 for the Phase IIIA(3)-Horizontal Construction Documents; and (ii) construction plans, budgets, schedules and a construction contract as provided in Article 10 for the Phase IIIA(1)-Vertical Construction Documents.

(2) Permits and Approvals. To the extent required for Phase IIIA-Third Closing, the Master Developer shall have obtained (in its own name, or where appropriate and with the approval of the Authority, in the name of the Authority) all building and construction permits, licenses, easements, zoning and approvals, including commitments to provide the utilities necessary for the Phase IIIA(1)-Development.

(3) Tax Credit Investor. The Master Developer (directly, through an Affiliate, or through a third party) shall have solicited a limited partner to join and make equity contributions to the Master Developer to develop the Phase IIIA(1)-Development.

(4) Developer Guaranties. The Master Developer shall provide the guaranty and/or performance and labor bonds to the Authority, in connection with the Phase IIIA(1)-Vertical Component and the Tax Credit Investor as required by Section 8.2(c).

(c) The conditions set forth in this Section 4.2 shall have been satisfied as of the Phase IIIA-Third Closing, unless the Authority waives them in writing. If there is no waiver or satisfaction by the Phase IIIA-Third Closing, the Authority may terminate this Agreement upon written notice to the Master Developer without further liability, except for such liability as may be provided for under any predevelopment loans or separate contracts entered pursuant to this Agreement and except for continuing indemnities provided elsewhere in this Agreement.

Section 4.3 Conditions Precedent to the Master Developer's Performance.

(a) The following are conditions precedent to the Master Developer's obligation to enter into the Phase IIIA(1)-Ground Lease and Phase IIIA(3)-Ground Lease at the Phase IIIA-Second Closing:

(1) Property Condition. There shall have been no material adverse change in the condition of the Phase IIIA(1)-Development Site, or discovery of a physical condition that would materially adversely interfere with the development of the Phase IIIA(1)-Development.

(2) Title Insurance. The Title Company is prepared to issue to the Master Developer all title insurance required by Section 4.6 to be delivered to the Master Developer.

(b) The following are the conditions precedent to the Master Developer's obligation to perform at the Phase IIIA-Third Closing:

(1) Phase IIIA(1)-Vertical Construction Documents. The Authority shall have reviewed and approved the Phase IIIA(3)-Horizontal Construction Documents and the Phase IIIA(1)-Vertical Construction Documents.

(2) Land Use Approvals. The Master Developer, with assistance from the Authority, shall have obtained the approvals set forth in Section 4.2(b)(2).

(3) Government Approvals. The Phase IIIA-Developer shall have received (in its own name, or, when appropriate and with the approval of the Authority, in the name of the Authority) all necessary governmental approvals and permits, including without limitation HUD's approval of this Agreement, all building and construction permits, licenses, easements, zoning and approvals necessary for the commencement of construction of the Phase IIIA(1)-Vertical Component, including commitments to provide the utilities necessary for the Phase IIIA(1)-Vertical Component.

(4) No Litigation. No litigation or claim with any governmental entity shall have been filed and be pending which may have a material, adverse impact on the Phase IIIA(1)-Vertical Component.

(5) No Authority Default. No Event of Default on the part of the Authority exists and is continuing under this Agreement.

(c) The conditions set forth in Section 4.3(a) and Section 4.3(b) shall be satisfied as of the Phase IIIA-Second Closing and the Phase IIIA-Third Closing, respectively, unless the Master Developer waives them in writing. If there is no waiver or satisfaction by the Phase IIIA-Third Closing, the Master Developer may terminate this Agreement upon written notice to the Authority without further liability, except for such liability as may be provided for under any predevelopment loans or separate contracts entered pursuant to this Agreement and except for continuing indemnities provided elsewhere in this Agreement.

Section 4.4 Phase IIIA-Second Closing and Phase IIIA-Third Closing.

(a) Authority's Obligation to Ground Lease. Provided that the conditions precedent in Sections 4.1(a), 4.2(a) and 4.3(a) have been satisfied or expressly waived, the Authority and the Master Developer shall instruct the Title Company to complete the Phase IIIA-Second Closing as set forth below. The Parties hereby acknowledge and agree that Old Republic Title Company is an approved title company under this Section 4.4(a). At the Phase IIIA-Second Closing, the Authority shall deliver the Phase IIIA(1)-Development Site to the Master Developer under the Phase IIIA(1)-Ground Lease.

(b) Phase IIIA-Second Closing Related to the Phase IIIA(1)-Development. The Phase IIIA-Second Closing related to the Phase IIIA(1)-Development shall be completed as follows:

(1) The Authority shall execute, acknowledge, deposit and deliver to the Title Company, as necessary and appropriate, the Phase IIIA(1)-Ground Lease, a

memorandum of the Phase IIIA(1)-Ground Lease in form and substance acceptable to HUD, Authority and the Master Developer ("Memorandum of Phase IIIA(1)-Ground Lease").

(2) The Master Developer shall execute, acknowledge, deposit and deliver to the Title Company, as necessary and appropriate, the Phase IIIA(1)-Ground Lease and the Memorandum of Phase IIIA(1)-Ground Lease, and the Master Developer shall execute, acknowledge, deposit and deliver to the Title Company, as necessary and appropriate, the agreements listed in Section 4.1(a).

(3) The Authority and the Master Developer shall instruct the Title Company to consummate the escrow and upon Phase IIIA-Second Closing, the Title Company shall record in the Official Records the Memorandum of Phase IIIA(1)-Ground Lease and any other documents required to be recorded under the terms of this Agreement.

(4) The Title Company shall issue title policies to the Master Developer, and the Authority, as required in Section 4.6 below.

(c) Phase IIIA-Second Closing Related to the Phase IIIA(3)-Development.
The Phase IIIA-Second Closing related to the Phase IIIA(3)-Development shall be completed as follows:

(1) The Authority shall execute, acknowledge, deposit and deliver to the Title Company, as necessary and appropriate, the Phase IIIA(3)-Ground Lease, a memorandum of the Phase IIIA(3)-Ground Lease in form and substance acceptable to HUD, Authority and the Master Developer ("Memorandum of Phase IIIA(3)-Ground Lease").

(2) The Master Developer shall execute, acknowledge, deposit and deliver to the Title Company, as necessary and appropriate, the Phase IIIA(3)-Ground Lease and the Memorandum of Phase IIIA(3)-Ground Lease, and the Master Developer shall execute, acknowledge, deposit and deliver to the Title Company, as necessary and appropriate, the agreements listed in Section 4.1(a).

(3) The Authority and the Master Developer shall instruct the Title Company to consummate the escrow and upon Phase IIIA-Second Closing, the Title Company shall record in the Official Records the Memorandum of Phase IIIA(3)-Ground Lease and any other documents required to be recorded under the terms of this Agreement.

(4) The Title Company shall issue title policies to the Master Developer, and the Authority, as required in Section 4.6 below.

Section 4.5 Conditions of Title.

(a) Permitted Title Exceptions for Phase IIIA(1). The Authority shall convey the Phase IIIA(1)-Development Site to the Master Developer under and subject to the provisions of the Phase IIIA(1)-Ground Lease and subject only to such title exceptions as the Parties may agree prior to conveyance and such other matters as the Master Developer shall cause or suffer to arise ("Permitted Title Exceptions").

(b) Developer's Remedies for Uncured Title Defect for Phase IIIA(1).

(1) If on or before the Phase IIIA-Second Closing, a title defect not caused by the Master Developer, its agents or Affiliates and which would materially and adversely affect the Phase IIIA(1)-Development Site arises and which the Authority does not elect to cure, (which election shall be at Authority's sole discretion, excepted as provided below), the Master Developer may by written notice to the Authority either (i) terminate this Agreement, or (ii) accept the Phase IIIA(1)-Development Site under the Phase IIIA(1)-Ground Lease.

(2) The Authority shall be obligated, at Authority's expense, to cure any title defect which is curable by the payment of money or the posting of a bond if such title defect arises after the date of this Agreement and on or before the Phase IIIA-Second Closing, and is caused solely by the Authority, its agents or employees.

(3) Notwithstanding the above, the Master Developer shall take all necessary action to remove any utility easements which would materially and adversely affect the Phase IIIA(1)-Development.

(c) Permitted Title Exceptions for Phase IIIA(3). The Authority shall convey the Phase IIIA(3)-Development Site to the Master Developer under and subject to the provisions of the Phase IIIA(3)-Ground Lease and subject only to such title exceptions as the Parties may agree prior to conveyance and such other matters as the Master Developer shall cause or suffer to arise ("Permitted Title Exceptions").

(d) Developer's Remedies for Uncured Title Defect for Phase IIIA(3).

(1) If on or before the Phase IIIA-Second Closing, a title defect not caused by the Master Developer, its agents or Affiliates and which would materially and adversely affect the Phase IIIA(3)-Development Site arises and which the Authority does not elect to cure, (which election shall be at Authority's sole discretion, excepted as provided below), the Master Developer may by written notice to the Authority either (i) terminate this Agreement, or (ii) accept the Phase IIIA(3)-Development Site under the Phase IIIA(3)-Ground Lease.

(2) The Authority shall be obligated, at Authority's expense, to cure any title defect which is curable by the payment of money or the posting of a bond if such title defect arises after the date of this Agreement and on or before the Phase IIIA-Second Closing, and is caused solely by the Authority, its agents or employees.

(3) Notwithstanding the above, the Master Developer shall take all necessary action to remove any utility easements which would materially and adversely affect the Phase IIIA(3)-Development.

Section 4.6 Title Insurance to be Issued at Phase IIIA-Second Closing. The Title Company shall issue title insurance policies as to Phase IIIA(1) and Phase IIIA(3), respectively:

(a) To the Phase IIIA-Developer, an ALTA extended coverage title insurance policy with such coinsurance or reinsurance and direct access agreements as the Master

Developer may request reasonably, in an amount designated by the Master Developer insuring that the leasehold estate in the Phase IIIA(1)-Development Site is vested in the Master Developer subject only to the Permitted Title Exceptions, and with the CLTA form endorsements and such other endorsements as may be requested reasonably by the Master Developer.

(b) To the Phase IIIA-Developer or Master Developer, as applicable, an ALTA extended coverage title insurance policy with such coinsurance or reinsurance and direct access agreements as the Master Developer may request reasonably, in an amount designated by the Master Developer insuring that the leasehold estate in the Phase IIIA(3)-Development Site is vested in the Master Developer subject only to the Permitted Title Exceptions, and with the CLTA form endorsements and such other endorsements as may be requested reasonably by the Master Developer.

(c) To the Authority, a 2006 ALTA Owner's Policy of insurance in an amount designated by the Authority insuring the Authority's fee interest in the Property, subject only to such exceptions and exclusions as may be reasonably acceptable to the Authority, and containing such endorsements as may be requested reasonably by the Authority.

ARTICLE 5.

PHASE IIIA(3)-HORIZONTAL COMPONENT FINANCING ARRANGEMENTS

Section 5.1 Phase IIIA(3)-Horizontal Financing Plan and Financial Commitments. The Parties acknowledge that subject to financing commitments and other requirements, the Master Developer shall use diligent efforts to comply with the Phase IIIA(3)-Horizontal Financing Plan. The Phase IIIA(3)-Horizontal Financing Plan shall consist of the information set forth in subsection (a) below. The Approved Phase IIIA-Development Budget shall provide, the budget sources, and separately the budget uses for the Phase IIIA(3)-Horizontal Component. The remaining information in subsections (a)(1)-(4) shall be submitted by the Master Developer to the Authority prior to the Phase IIIA-Second Closing.

(a) Phase IIIA(3)-Horizontal Component.

- (1) the Approved Phase IIIA(3)-Horizontal Component Budget;
- (2) the sources and uses analysis for the period of the construction, including an analysis of subsidized financing necessary from the Authority, if any, and/or other public bodies, if any;
- (3) the sources and uses analysis from the date of the origination of the permanent loan, including an analysis of subsidized financing necessary from the Authority, if any, and/or other public entities, if any; and
- (4) all underlying assumptions for each of the above, including terms, conditions, and pricing of all debt and equity.

(b) Approvals. The Master Developer shall also submit to the Authority for approval any revisions to the Financing Plan for the Phase IIIA(3)-Horizontal Component. The Master Developer shall submit to the Authority for review any and all commitments for financing necessary to undertake the construction of the Phase IIIA(3)-Horizontal Component and for permanent financing necessary for the Phase IIIA(3)-Development.

ARTICLE 6.
PHASE IIIA(3)-HORIZONTAL COMPONENT DESIGN

Section 6.1 Phase IIIA(3)-Horizontal Design in Conformance with Scope of Development and Schematic Design.

(a) In designing and constructing the Phase IIIA(3)-Horizontal Component, the Master Developer shall cause all subsequent design documents to be consistent with the Phase IIIA-Scope of Development as it pertains to the Phase IIIA(3)-Horizontal Component and the Phase IIIA(3)-Horizontal Schematic Design approved by the Authority. The Phase IIIA-Scope of Development and the Phase IIIA(3)-Horizontal Schematic Design shall establish the baseline design standards from which the Master Developer shall prepare all subsequent Phase IIIA(3)-Horizontal Design Documents.

(b) The design of the Phase IIIA(3)-Horizontal Component shall meet or exceed the accessibility requirements of Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, and the Fair Housing Act and their implementing regulations, to the extent applicable to the Phase IIIA(3)-Horizontal Component.

Section 6.2 Phase IIIA(3)-Horizontal Design Documents. The Master Developer shall cause its Engineer to proceed diligently to prepare design development and construction documents for the proposed Phase IIIA(3)-Horizontal Component, consistent with the Phase IIIA(1)-Scope of Development and the Phase IIIA(3)-Horizontal Schematic Design, including, without limitation, such drawings as may reasonably be required to show the location, bulk, height and other principal external features of the proposed Phase IIIA(3)-Horizontal Component. In connection with its submittal to the Authority (and the Authority's submittal to HUD) for approval, the Master Developer shall provide to the Authority such elevations, sections, plot plans, specifications, diagrams and other design documents ("Phase IIIA(3)-Horizontal Design Documents") at each of the stages described in Section 6.3, as may reasonably be required by the Authority and HUD for review. The Phase IIIA(3)-Horizontal Design Documents shall incorporate any conditions imposed by the City's planning and entitlements process.

Section 6.3 Submittal and Review of Phase IIIA(3)-Horizontal Design Documents. Within the times set forth in the Phase IIIA(3)-Schedule of Performance, the Master Developer shall submit to the Authority the Phase IIIA(3)-Horizontal Design Documents in the following stages:

(a) Phase IIIA(3)-Horizontal Design Drawings. The Phase IIIA(3)-Horizontal Design Drawings shall be based on the Phase IIIA(3)-Horizontal Schematic Design and the

Phase IIIA-Scope of Development. The Phase IIIA(3)-Horizontal Design Drawings shall indicate estimated structural dimensions, and delineation of site features and elevations, materials and colors, landscaping and other features. The drawings shall fix and describe all design features, as well as the size, character, and quality of the entire Phase IIIA(3)-Horizontal Component as to architectural, structural, and mechanical systems. Key details shall be provided in preliminary form. The Authority shall submit the Phase IIIA(3)-Horizontal Design Drawings to HUD for review and approval, as required.

(b) Phase IIIA(3)-Horizontal Final Construction Drawings. Phase IIIA(3)-Horizontal Final Construction Drawings are to be a continuation of approved Phase IIIA(3)-Horizontal Design Drawings. The Phase IIIA(3)-Horizontal Final Construction Drawings shall provide all the detailed information necessary to allow for the Master Developer to obtain any required permits to build the Phase IIIA(3)-Horizontal Component including complete building, site, landscape, requirements, standards, and specifications. The Master Developer shall provide material samples upon the reasonable request of the Authority.

Section 6.4 Project Approvals. Within the times set forth in Phase IIIA(3)-Schedule of Performance, the Authority shall have the right to review and approve the Phase IIIA(3)-Horizontal Design Documents. The purpose of the Authority's review of the Phase IIIA(3)-Horizontal Design Documents is to ensure consistency with the Phase IIIA-Scope of Development and the provisions of this Agreement. Provided that the architectural submittals meet the requirements set forth in Section 6.3, the Authority shall be required to approve those Phase IIIA(3)-Horizontal Design Documents which are logical progressions from concepts set forth in previously approved Phase IIIA(3)-Horizontal Design Documents. For purposes of this Article 6, "approval" means approval of the Authority Executive Director or the Authority Executive Director's designee.

Section 6.5 New Material Concerns. If the Authority determines that there are material changes which are not logical progressions from previously approved Phase IIIA(3)-Horizontal Design Documents or which raise material concerns that were not reviewable in previously approved Phase IIIA(3)-Horizontal Design Documents, then in approving or disapproving such Phase IIIA(3)-Horizontal Design Documents, the Authority shall act in its reasonable discretion.

Section 6.6 No Change in Phase IIIA(3)-Horizontal Design Documents. Once the Authority has approved Phase IIIA(3)-Horizontal Final Construction Drawings, the Master Developer shall not make any changes in those documents which would materially impact the matters set forth in Section 6.3 without the prior written approval of the Authority, which approval shall be granted in the Authority's reasonable discretion and within the time periods set out in Section 38.4.

Section 6.7 Submittal and Review of Horizontal Construction Contract. Within the times set forth in the Phase IIIA(3)-Schedule of Performance, the Master Developer shall submit to the Authority for its approval the proposed construction contract and other construction documents for the Phase IIIA(3)-Horizontal Component.Additional Permits and Approvals. Within the times specified in the Phase IIIA(3)-Schedule of Performance, the Master Developer shall obtain all permits and approvals necessary to construct the Phase IIIA(3)-Horizontal Component including demolition and building permits. All applications for such permits and

approvals shall be consistent with the approved Phase IIIA(3)-Horizontal Design Documents. The Master Developer shall not commence construction under a building or site permit, excluding any necessary demolition work pursuant to a separate agreement regarding demolition, until the Authority has approved the Final Phase IIIA(3)-Horizontal Construction Drawings. The Master Developer acknowledges that execution of this Agreement by the Authority does not constitute approval by the City of any required permits, applications, or allocations, and in no way limits the discretion of the City in the permit, allocation and approval process.

Section 6.9 Authority Review. The Master Developer shall be solely responsible for all aspects of the Master Developer's conduct in connection with the Phase IIIA(3)-Horizontal Component, including, but not limited to, the quality and suitability of the Phase IIIA(3)-Horizontal Design Documents, the supervision of construction work, and the qualifications, financial condition, and performance of all architects, engineers, contractors, subcontractors, suppliers, consultants, and property managers. Any review or inspection undertaken by the Authority with reference to the Phase IIIA(3)-Horizontal Component is solely for the purpose of determining whether the Master Developer is properly discharging its obligations to the Authority, and should not be relied upon by the Master Developer or by any third parties as a warranty or representation by the Authority as to the quality of the design or construction of the Phase IIIA(3)-Development, or the Phase IIIA(3)-Horizontal Component.

ARTICLE 7.

PHASE IIIA(3)-HORIZONTAL COMPONENT CONSTRUCTION

Section 7.1 Commencement of Phase IIIA(3)-Horizontal Component Construction. Subject to events of Force Majeure as defined in Section 21.1(c), the Master Developer shall commence or cause to be commenced construction of the Phase IIIA(3)-Horizontal Component after the Phase IIIA-Second Closing in accordance with the Phase IIIA(3)-Schedule of Performance, which shall be known as the Phase IIIA(3)-Horizontal Component.

Section 7.2 Completion of Phase IIIA(3)-Horizontal Component Construction. The Master Developer shall diligently prosecute or cause to be prosecuted to completion the construction of the Phase IIIA(3)-Horizontal Component, and shall complete or cause to be completed the construction of the Phase IIIA(3)-Horizontal Component no later than the time specified in the Phase IIIA(3)-Schedule of Performance, subject to events of Force Majeure as defined in Section 21.1(c).

Section 7.3 Phase IIIA(3)-Horizontal Component Construction Pursuant to Plans.

(a) The Master Developer shall construct or cause to be constructed the Phase IIIA(3)-Horizontal Component substantially in accordance with the Final Phase IIIA(3)-Horizontal Construction Drawings and the terms and conditions of all City and other governmental approvals.

(b) The Master Developer shall submit or cause to be submitted for Authority approval any proposed change in the Final Phase IIIA(3)-Horizontal Construction Drawings which materially changes the size, location or elevation of the Phase IIIA(3)-Horizontal

Component or which would require an amendment to any approval or permits obtained from the City or other governmental agencies.

(c) No change which is required for compliance with building codes or other laws, codes or regulation shall be deemed material. However, the Master Developer must submit or cause to be submitted to the Authority, in writing, any change that is required for such compliance within ten (10) business days after making such change, and such change shall become a part of the approved Final Phase IIIA(3)-Horizontal Construction Drawings, binding on the Master Developer.

Section 7.4 Phase IIIA(3)-Horizontal Component Construction Bonds. The Master Developer shall require its contractor to procure and deliver to the Authority copies of labor and material (payment) bonds and performance bonds, or a dual bond which covers both payment and performance obligations, in a penal sum each of not less than one hundred percent (100%) of the scheduled cost of construction of the Phase IIIA(3)-Horizontal Component, and one hundred percent (100%) payment bond. Said bonds shall be issued by a surety that is authorized to issue bonds in the State of California and is named in the current list of "Surety Companies acceptable on Federal Bonds" as published in Circular 570 by the U.S. Treasury Department, Financial Management Service, and that the amount of the bond is within the limit set by the Treasury Department as the net limit on any single risk. The labor and materials (payment) bond shall name the Authority as a co-obligee or assignee.

Section 7.5 Compliance with Applicable Law. The Master Developer shall cause all work performed in connection with the Phase IIIA(3)-Horizontal Component to be performed in compliance with (a) all applicable laws, ordinances, rules and regulations of federal, state, county or municipal governments or agencies now in force or that may be enacted hereafter, (including, without limitation, the federal Davis-Bacon Act and state prevailing wages) and (b) all directions, rules and regulations of any fire marshal, health officer, building inspector, or other officer of every governmental agency now having or hereafter acquiring jurisdiction. The work shall proceed only after procurement of each permit, license, or other authorization that may be required by any governmental agency having jurisdiction, and the Master Developer shall be responsible to the Authority for the procurement and maintenance thereof, as may be required of the Master Developer and all entities engaged in work on the Phase IIIA(3)-Horizontal Component.

Section 7.6 Non-Discrimination During Construction; Equal Opportunity. The Master Developer, for itself and its successors and assigns, and transferees agrees that in the construction of the Phase IIIA(3)-Horizontal Component provided for in this Agreement:

(a) It will not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, ancestry, disability, medical condition, age, marital status, gender identity status, sex, sexual orientation, HIV status or Acquired Immune Deficiency Syndrome (AIDS) condition or perceived condition, or retaliation for having filed a discrimination complaint (nondiscrimination factors). The Master Developer will take affirmative action to ensure that applicants are considered for employment by the Master Developer without regard to the nondiscrimination factors, and that the Master Developer's employees are treated without regard to the nondiscrimination factors during employment

including, but not limited to, activities of: upgrading, demotion or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Master Developer agrees to post in conspicuous places, available to its employees and applicants for employment, the applicable nondiscrimination clause set forth herein;

(b) It will ensure that its solicitations or advertisements for employment are in compliance with the aforementioned nondiscrimination factors; and

(c) It will cause the foregoing provisions to be inserted in all contracts for the construction of the Phase IIIA(3)-Horizontal Component entered into after the date of this Agreement; provided, however, that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

Section 7.7 Equal Opportunity/Non-Discrimination in Employment and Contracting Procedures, Including Utilization of Minority and Women Businesses. The Master Developer and the Authority acknowledge and agree that it is the policy of the Authority to promote and ensure equal opportunity through employment and in the award of contracts and subcontracts for construction. During the period of this Agreement, the Master Developer shall not discriminate on the basis of race, color, creed, religion, national origin, ancestry, disability, medical condition, age, marital status, gender identity status, sex, sexual orientation, HIV status or Acquired Immune Deficiency Syndrome (AIDS) condition or perceived condition, in the hiring, firing, promoting or demoting of any person. Subject to the foregoing, the Master Developer shall employ or select employees, contractors and subcontractors in accordance with the MOU.

(a) During the construction of the Phase IIIA(3)-Horizontal Component, the Master Developer shall provide to the Authority such information and documentation as reasonably requested by the Authority.

(b) The Master Developer shall use reasonable efforts to monitor and enforce, or shall cause its general contractor to monitor and enforce, the equal opportunity requirements imposed by this Agreement. In the event, after notice from the Authority and an opportunity to cure such failure as set forth in Article 21 of this Agreement, the Master Developer fails to use reasonable efforts to monitor or enforce these requirements, the Authority may declare the Master Developer in default of this Agreement and pursue any of the remedies available under this Agreement.

(c) As requested, the Authority shall provide such technical assistance necessary to implement this Section 7.7.

Section 7.8 Prevailing Wages. In the construction of the Phase IIIA(3)-Horizontal Component, for all on-site and adjacent construction activities, the Master Developer shall pay and assure that all contractors and subcontractors pay the general prevailing rate of per diem wages, as determined by the U.S. Labor Department pursuant to the federal Davis-Bacon Act and implementing rules and regulations, and the prevailing wage provisions of Sections 1720 et seq. of the California Labor Code and implementing rules and regulations. The Master Developer shall comply with all applicable reporting and recordkeeping requirements.

Section 7.9 Progress Reports. Until the notice of completion is filed, the Master Developer shall provide the Authority with periodic progress reports, as reasonably requested in writing by the Authority, regarding the status of the construction of the Phase IIIA(3)-Horizontal Component.

Section 7.10 Entry by the Authority. The Master Developer shall permit the Authority, through its officers, agents, or employees, to enter the Phase IIIA-Development Site with advance written notice, at all reasonable times and in a safe, unobtrusive manner to review the work of construction to determine that such work is in conformity with the approved Final Phase IIIA(3)-Horizontal Construction Drawings or to inspect the Phase IIIA(3)-Horizontal Component for compliance with this Agreement. The Authority is under no obligation to (a) supervise construction, (b) inspect the Phase IIIA(3)-Horizontal Component, or (c) inform the Master Developer of information obtained by the Authority during any review or inspection, and the Master Developer shall not rely upon the Authority for any supervision, inspection, or information. However, the Master Developer shall work with the Authority to remedy any adverse conditions raised in the Authority's construction inspections.

ARTICLE 8.

PHASE IIIA(1)-VERTICAL COMPONENT FINANCING ARRANGEMENTS

Section 8.1 Phase IIIA(1)-Vertical Financing Plan and Financial Commitments. The Parties acknowledge that subject to financing commitments and other requirements, the Master Developer shall use diligent efforts to comply with the Phase IIIA(1)-Vertical Financing Plan. The Phase IIIA(1)-Vertical Financing Plan shall consist of the information set forth in subsection (a) below. The Approved Phase IIIA-Development Budget shall provide the budget sources, and separately the budget uses, for the Phase IIIA(1)-Vertical Development. The remaining information in subsections (a)(2)-(7) shall be submitted by the Master Developer to the Authority prior to the Phase IIIA-Third Closing.

(a) Phase IIIA(1)-Vertical Component.

- (1) the Approved Phase IIIA(1)-Vertical Component budget;
- (2) the sources and uses analysis for the period of the construction, including an analysis of subsidized financing necessary from the Authority, if any, and/or other public bodies, if any;
- (3) the sources and uses analysis from the date of the origination of the permanent loan, including an analysis of subsidized financing necessary from the Authority, if any, and/or other public entities, if any;
- (4) the twenty (20)-year cash flow projections of the Phase IIIA(1)-Development, including an analysis of the Phase IIIA(1)-Vertical Component from the date of the issuance of the Certificate of Occupancy;

(5) the initial operating budget for the Phase IIIA(1)-Vertical Component, including without limitation an operating reserve fund and capital replacement reserve fund;

(6) all underlying assumptions for each of the above, including terms, conditions, and pricing of all debt and equity; and

(7) a rent schedule showing the number of units by bedroom size and rent amount.

(b) Approvals. The Master Developer shall also submit to the Authority for approval any revisions to the Financing Plan for the Phase IIIA(1)-Vertical Component. The Master Developer shall submit to the Authority for review any and all commitments for financing necessary to undertake the construction of the Phase IIIA(1)-Vertical Component and for permanent financing necessary for the Phase IIIA(1)-Vertical Component. The Master Developer shall further submit to the Authority for its reasonable approval copies of any proposed partnership agreements and funding agreements between the Master Developer and the Tax Credit Investor; any documents proposed to be entered by the Master Developer with respect to any subsidies; and loan agreements and all other documents which the Master Developer and its proposed construction lender(s) and permanent lender(s) propose to execute in connection with such financing for the Phase IIIA(1)-Vertical Component.

(c) No Subordination. The Authority will not approve any subordination of its fee interest in the Phase IIIA(1)-Development Site.

Section 8.2 Financing for Phase IIIA(1)-Vertical Component.

(a) Authority Role. There shall be no lien or encumbrance on the Authority's fee interest in the Phase IIIA(1)-Development Site, except for any required HUD restrictions.

(1) Payment of the Additional Land Payment shall be made by the Master Developer from the Phase IIIA(1)-Development's cash flow ("Surplus Cash Flow") after paying Development Expenses, and subject to the provisions of subsection (2) below. "Development Expenses" means: (1) all necessary and reasonable operating expenses of the Phase IIIA(1)-Vertical Component, including those shown as line items on Form HUD-92547-A (Budget Worksheet) and including debt service requirements of any fixed payment mortgages issued by lenders and real property taxes, if any; (2) deposits to any lender- or the Tax Credit Investor- required reserve for replacement and/or operating reserves; (3) management fees payable pursuant to the Management Agreement; (4) legal and accounting expenses associated with the operation of the Phase IIIA-Development pursuant to HUD Handbook 4370.2 REV – 1, Financial Operation and Accounting Procedures for Insured Multifamily Projects, or any successor thereto; and (5) any amounts paid to tenants as a utility allowance.

(2) Any Surplus Cash Flow generated from the Vertical Component shall be distributed as indicated and in the following order:

- management fee;
- (i) first, to pay the Tax Credit Investor the approved asset
 - (ii) second, to pay any outstanding deferred developer fee;
 - (iii) third, to pay the approved partnership management fee;
 - (iv) fourth, to pay to the Master Developer or Phase IIIA-Developer an incentive management fee, if applicable; and
 - (v) fifth, to pay on a proportional basis to the Authority and the City the Additional Land Payment and the City loans, in accordance with their respective documents.

(3) Notwithstanding the provisions of subsequent (2) above, the Parties acknowledge and agree that no Surplus Cash Flow shall be disbursed to the Authority and the City until the completion of the Development, but shall instead be deposited into a separate account, where upon such funds shall be available to provide additional financial assistance to the Development. The Surplus Cash Flow shall be disbursed in accordance with the Cash Flow MOU.

(b) The Master Developer shall provide, and the Master Developer shall have those Affiliates of the Master Developer whose finances are represented on the financial statements presented to the Authority, in connection with the Master Developer's procurement provide, with respect to the Phase IIIA(1)-Vertical Component all guarantees required by Tax Credit Investors, including completion (development deficit), operating deficit, and tax credit recapture guarantees, and by lenders and provide, and shall have such Affiliates provide, the Authority with a payment and performance bond and completion guarantee.

(1) The Authority will assist and support in good faith the Master Developer's effort to obtain other public and private financing for the Phase IIIA(1)-Vertical Component.

(c) Master Developer Role. The Master Developer shall be primarily responsible for seeking all financing for the Phase IIIA(1)-Vertical Component.

The Master Developer shall coordinate the Parties' preparation of, and assist in securing HUD's approval of, any applicable HUD Documents. The evidentiary documentation, including attorneys' opinions, shall be provided to the Authority for review and approval and shall comply with HUD Requirements, if applicable, and each party shall reasonably agree to any changes required by HUD which do not materially and adversely affect the feasibility of the Phase IIIA(1)-Development or the level of risk and return to the Master Developer, or the Authority. Notwithstanding anything herein to the contrary, at its option the Authority shall prepare, for the Master Developer's review and approval, evidentiary documentation which relates specifically to the Authority-Master Developer relationship, including but not necessarily restricted to any Phase IIIA(1)-Ground Lease, and loan and security documents.

Section 8.3 Amounts to be Paid to the Master Developer.

(a) The Phase IIIA-Developer shall receive a developer fee for the Phase IIIA(1)-Development (the "Phase IIIA(1)-Developer Fee") payable from available sources in the amounts and at times to be shown on the final Phase IIIA(1)-Vertical Component Financing Plan, and on draw schedules to be entered into between the Master Developer and its lenders, including the Authority. The Phase IIIA(1)-Developer Fee will be paid solely out of Phase IIIA-Developer's equity, private debt, cash flow, or other non-HUD Funds. The Parties recognize that the amount and timing of fees will require the agreement of the Authority, HUD, and other lenders and Tax Credit Investor. Provided that there is no financing shortfall, and subject to the foregoing, the Authority approves the following fee to the Master Developer:

(1) The Phase IIIA-Developer shall be entitled to receive a Phase IIIA-Developer Fee for the Phase IIIA(1)-Vertical Component of up to Two Million Three Hundred and Eighty Thousand Dollars (\$2,380,000) as shown in the Phase IIIA(1)-Development Budget, but in no event shall the amount of the Phase IIIA(1)-Developer Fee exceed the lesser of the amount allowed by TCAC or the City, and in no event shall the amount of the Phase IIIA(1)-Developer Fee exceed either HUD guidelines or nine percent (9%) of total project costs, as defined by HUD. Such fee does not include the developer fee that the Phase IIIA Developer will receive for construction of the Infrastructure Improvements as part of the Phase IIIA(1) Horizontal Component and the Phase IIIA(2) Development.

(b) Except as expressly provided elsewhere herein, the Phase IIIA-Developer (or its Affiliate) shall not receive any additional payment that would be considered by HUD as a Phase IIIA(1)-Developer Fee for providing goods or services to the Phase IIIA(1)-Development unless it is with the express written consent of the Authority. The Master Developer will disclose any such proposed relationship to the Authority and will provide the Authority sufficient terms, information about the terms and conditions of the proposed relationship to enable the Authority to evaluate its propriety and commercial reasonableness.

ARTICLE 9.

PHASE IIIA(1)-VERTICAL COMPONENT DESIGN

Section 9.1 Phase IIIA(1)-Vertical Design in Conformance with Phase IIIA(1)-Scope of Development and Phase IIIA(1)-Vertical Schematic Design.

(a) In designing and constructing the Phase IIIA(1)-Vertical Component, the Master Developer shall cause all subsequent design documents to be consistent with the Phase IIIA-Scope of Development as it pertains to the Phase IIIA(1)-Vertical Component and the Phase IIIA(1)-Vertical Schematic Design approved by the Authority. The Phase IIIA-Scope of Development and the Phase IIIA(1)-Vertical Schematic Design shall establish the baseline design standards from which the Master Developer shall prepare all subsequent Phase IIIA(1)-Vertical Design Documents.

(b) The design of the Phase IIIA(1)-Vertical Component shall meet or exceed the accessibility requirements of Section 504 of the Rehabilitation Act of 1973, the Americans

with Disabilities Act, and the Fair Housing Act and their implementing regulations, to the extent applicable to the Phase IIIA(1)-Vertical Component.

Section 9.2 Phase IIIA(1)-Vertical Design Documents. The Master Developer shall cause its Engineers and Architect to proceed diligently to prepare design development and construction documents for the proposed Phase IIIA(1)-Vertical Component, consistent with the Phase IIIA-Scope of Development and the Phase IIIA(1)-Vertical Schematic Design, including, without limitation, such drawings as may reasonably be required to show the location, bulk, height and other principal external features of the proposed Phase IIIA(1)-Development. In connection with its submittal to the Authority (and the Authority's submittal to HUD) for approval, the Master Developer shall provide to the Authority such elevations, sections, plot plans, specifications, diagrams and other design documents ("Phase IIIA(1)-Vertical Design Documents") at each of the stages described in Section 9.3, as may reasonably be required by the Authority and HUD for review. The Phase IIIA(1)-Vertical Design Documents shall incorporate any conditions imposed by the City's planning and entitlements process.

Section 9.3 Submittal and Review of Phase IIIA(1)-Vertical Design Documents. Within the times set forth in the Phase IIIA(1)-Schedule of Performance, the Master Developer shall submit to the Authority the Phase IIIA(1)-Vertical Design Documents in the following stages:

(a) Phase IIIA(1)-Vertical Design Drawings. The Phase IIIA(1)-Vertical Design Drawings shall be based on the Phase IIIA(1)-Vertical Schematic Design and the Phase IIIA(1)-Scope of Development. The Phase IIIA(1)-Vertical Design Development Drawings shall indicate estimated structural dimensions, and delineation of site features and elevations, materials and colors, landscaping and other features. The drawings shall fix and describe all design features, as well as the size, character, and quality of the entire Phase IIIA(1)-Vertical Component as to architectural, structural, and mechanical systems. Key details shall be provided in preliminary form. The Authority shall submit the Phase IIIA(1)-Vertical Design Drawings to HUD for review and approval, as required.

(b) Phase IIIA(1)-Vertical Final Construction Drawings. Phase IIIA(1)-Vertical Final Construction Drawings are to be a continuation of approved Phase IIIA(1)-Vertical Design Drawings. The Phase IIIA(1)-Vertical Final Construction Drawings shall provide all the detailed information necessary to allow for the Master Developer to obtain the superstructure building permit, and shall provide all the detailed information necessary to obtain building or site permits to build the Phase IIIA(1)-Vertical Component including complete building, site, landscape, requirements, standards, and specifications. The Master Developer shall provide material samples upon the reasonable request of the Authority.

Section 9.4 Project Approvals. Within the times set forth in Phase IIIA(1)-Schedule of Performance, the Authority shall have the right to review and approve the Phase IIIA(1)-Vertical Design Documents. The purpose of the Authority's review of the Phase IIIA(1)-Vertical Design Documents is to ensure consistency with the Phase IIIA-Scope of Development and the provisions of this Agreement. Provided that the architectural submittals meet the requirements set forth in Section 9.3, the Authority shall be required to approve those Phase IIIA(1)-Vertical Design Documents which are logical progressions from concepts set forth in previously

approved Phase IIIA(1)-Vertical Design Documents. For purposes of this Article 9, "approval" means approval of the Authority Executive Director or the Authority Executive Director's designee.

Section 9.5 New Material Concerns. If the Authority determines that there are material changes which are not logical progressions from previously approved Phase IIIA(1)-Vertical Design Documents or which raise material concerns that were not reviewable in previously approved Phase IIIA(1)-Vertical Design Documents, then in approving or disapproving such Phase IIIA(1)-Vertical Design Documents, the Authority shall act in its reasonable discretion.

Section 9.6 No Change in Phase IIIA(1)-Vertical Design Documents. Once the Authority has approved Phase IIIA(1)-Vertical Final Construction Drawings, the Master Developer shall not make any changes in those documents which would materially impact the matters set forth in Section 9.3 without the prior written approval of the Authority, which approval shall be granted in the Authority's reasonable discretion and within the time periods set out in Section 38.4.

Section 9.7 Submittal and Review of Vertical Construction Contract. Within the times set forth in the Phase IIIA(1)-Schedule of Performance, the Master Developer shall submit to the Authority for its approval the proposed construction contract and other Phase IIIA(1)-Vertical Construction Documents for the Phase IIIA(1)-Vertical Component.

Section 9.8 Additional Permits and Approvals. Within the times specified in the Phase IIIA(1)-Schedule of Performance, the Master Developer shall obtain all permits and approvals necessary to construct the Phase IIIA(1)-Vertical Component including demolition and building permits. All applications for such permits and approvals shall be consistent with the approved Phase IIIA(1)-Vertical Design Documents. The Master Developer shall not commence construction under a building or site permit, excluding any necessary demolition work pursuant to a separate agreement regarding demolition, until the Authority has approved the Phase IIIA(1)-Vertical Final Construction Drawings. The Master Developer acknowledges that execution of this Agreement by the Authority does not constitute approval by the City of any required permits, applications, or allocations, and in no way limits the discretion of the City in the permit, allocation and approval process.

Section 9.9 Authority Review. The Master Developer shall be solely responsible for all aspects of the Master Developer's conduct in connection with the Phase IIIA(1)-Vertical Component, including, but not limited to, the quality and suitability of the Phase IIIA(1)-Vertical Design Documents, the supervision of construction work, and the qualifications, financial condition, and performance of all architects, engineers, contractors, subcontractors, suppliers, consultants, and property managers. Any review or inspection undertaken by the Authority with reference to the Phase IIIA(1)-Vertical Component is solely for the purpose of determining whether the Master Developer is properly discharging its obligations to the Authority, and should not be relied upon by the Master Developer or by any third parties as a warranty or representation by the Authority as to the quality of the design or construction of the Phase IIIA(1)-Vertical Component.

ARTICLE 10.
PHASE IIIA(1)-VERTICAL COMPONENT CONSTRUCTION

Section 10.1 Commencement of Phase IIIA(1)-Vertical Component Construction. Subject to events of Force Majeure as defined in Section 21.1(c), the Master Developer shall commence or cause to be commenced construction of the Phase IIIA(1)-Vertical Component after the Phase IIIA-Third Closing in accordance with the Phase IIIA(1)-Schedule of Performance, which shall be known as the Phase IIIA(1)-Vertical Component.

Section 10.2 Completion of Phase IIIA(1)-Vertical Component Construction. The Master Developer shall diligently prosecute or cause to be prosecuted to completion the construction of the Phase IIIA(1)-Vertical Component, and shall complete or cause to be completed the construction of the Phase IIIA(1)-Vertical Component no later than the time specified in the Phase IIIA(1)-Schedule of Performance, subject to events of Force Majeure as defined in Section 21.1(c).

Section 10.3 Phase IIIA(1)-Vertical Construction Pursuant to Plans. The provisions of Section 7.3 shall also apply to the Phase IIIA(1)-Vertical Component. All references to the Phase IIIA(3)-Horizontal Component in Section 7.3 shall be deemed to mean the Phase IIIA(1)-Vertical Component for purposes of this Section 10.3.

Section 10.4 Phase IIIA(1)-Vertical Component Construction Bonds. The provisions of Section 7.4 shall also apply to the Phase IIIA(1)-Vertical Component. All references to the Phase IIIA(3)-Horizontal Component in Section 7.4 shall be deemed to mean the Phase IIIA(1)-Vertical Component for purposes of this Section 10.4.

Section 10.5 Compliance with Applicable Law. The provisions of Section 7.5 shall also apply to the Phase IIIA(1)-Vertical Component. All references to the Phase IIIA(3)-Horizontal Component in Section 7.5 shall be deemed to mean the Phase IIIA(1)-Vertical Component for purposes of this Section 10.5.

Section 10.6 Non-Discrimination During Construction; Equal Opportunity. The provisions of Section 7.6 shall also apply to the Phase IIIA(1)-Vertical Component. All references to the Phase IIIA(3)-Horizontal Component in Section 7.6 shall be deemed to mean the Phase IIIA(1)-Vertical Component for purposes of this Section 10.6.

Section 10.7 Equal Opportunity/Non-Discrimination in Employment and Contracting Procedures, Including Utilization of Minority and Women Businesses. The provisions of Section 7.7 shall also apply to the Phase IIIA(1)-Vertical Component. All references to the Phase IIIA(3)-Horizontal Component in Section 7.7 shall be deemed to mean the Phase IIIA(1)-Vertical Component for purposes of this Section 10.7.

Section 10.8 Prevailing Wages. The provisions of Section 7.8 shall also apply to the Phase IIIA(1)-Vertical Component. All references to the Phase IIIA(3)-Horizontal Component in Section 7.8 shall be deemed to mean the Phase IIIA(1)-Vertical Component for purposes of this Section 10.8.

Section 10.9 Progress Reports. The provisions of Section 7.9 shall also apply to the Phase IIIA(1)-Vertical Component. All references to the Phase IIIA(3)-Horizontal Component in Section 7.9 shall be deemed to mean the Phase IIIA(1)-Vertical Component for purposes of this Section 10.9.

Section 10.10 Entry by the Authority. The provisions of Section 7.10 shall also apply to the Phase IIIA(1)-Vertical Component. All references to the Phase IIIA(3)-Horizontal Component in Section 7.10 shall be deemed to mean the Phase IIIA(1)-Vertical Component for purposes of this Section 10.10.

Section 10.11 Taxes. The Master Developer, with such reasonable assistance and cooperation from the Authority as may be necessary, shall be responsible for obtaining a property tax exemption for the Phase IIIA-Development. In the event that a property tax exemption is not available for reasons beyond the control of the Master Developer or the Authority, the Master Developer and the Authority shall provide for payment of property taxes in the Phase IIIA(1)-Ground Lease.

Section 10.12 Hazardous Materials.

(a) Disclosure. In fulfillment of the requirements of Health and Safety Code Section 25359.7(a), the Authority has provided the Master Developer with copies of the Hazardous Materials Documents listed in the attached Exhibit R (the "Hazardous Materials Documents"). To the best of the Authority's knowledge, the Hazardous Material Documents depict the condition of the Property with respect to the matters covered in such documents as of the date of such documents and as of the date of this Agreement.

(b) Certain Covenants and Agreements. The Master Developer hereby covenants and agrees that:

(1) The Master Developer shall not knowingly permit the Phase IIIA(1)-Development Site or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Materials or otherwise knowingly permit the presence of Hazardous Materials in, on or under the Phase IIIA(1)-Development Site in violation of any applicable law;

(2) The Master Developer shall keep and maintain the Phase IIIA(1)-Development Site and each portion thereof in compliance with, and shall not cause or permit the Phase IIIA(1)-Development Site or any portion thereof to be in violation of, any Environmental Law;

(3) Upon receiving actual knowledge of the same the Master Developer shall immediately advise the Authority in writing of:

(i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against the Master Developer or the Phase IIIA(1)-Development pursuant to any applicable Environmental Laws;

(ii) any and all claims made or threatened by any third party against the Master Developer or the Phase IIIA(1)-Development relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in the foregoing clause (A) and this clause (B) are hereinafter referred to as "Hazardous Materials Claims");

(iii) presence of any Hazardous Materials in, on or under the Phase IIIA(1)-Development Site in such quantities which require reporting to a government agency; or

(iv) the Master Developer's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Phase IIIA(1)-Development Site classified as "border zone property" under the provisions of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Phase IIIA(1)-Development Site under any Environmental Laws.

If the Authority reasonably determines that the Master Developer is not adequately responding to a Hazardous Material Claim or any condition in Section 10.12(b)(3)(iii) or (iv), the Authority shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any such Hazardous Materials Claims and to have its reasonable attorney's fees paid by the Master Developer.

(4) Without the Authority's prior written consent, which shall not be unreasonably withheld or delayed, the Master Developer shall not take any remedial action in response to the presence of any Hazardous Materials on, under, or about the Phase IIIA(1)-Development Site (other than in emergency situations or as required by governmental agencies having jurisdiction), nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Materials Claims.

(c) No Limitation. Except as otherwise provided herein, the Master Developer hereby acknowledges and agrees that the Master Developer's duties, obligations and liabilities under this Agreement are in no way limited or otherwise affected by any information the Authority may have concerning the development and/or the presence on the Phase IIIA(1)-Development Site of any Hazardous Materials, whether the Authority obtained such information from the Master Developer or from its own investigations.

(d) Master Developer Indemnity. The Master Developer hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to the Authority) the Authority, its board members, officers, agents, successors, assigns and employees (the "Indemnitees") from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, reasonable attorney's fees and expenses), arising directly or indirectly, in whole or in part, out of:

(1) the failure of the Master Developer or any other person or entity on or after Phase IIIA-Second Closing (or prior to Phase IIIA-Second Closing if due to the negligence or willful misconduct of the Master Developer or any person under the control of the Master Developer to the extent resulting in material harm to an Indemnitee), to comply with any Environmental Law relating in any way whatsoever to the handling, treatment, presence, removal, storage, decontamination, cleanup, transportation or disposal of Hazardous Materials into, on, under or from the Phase IIIA(1)-Development Site;

(2) any release or discharge of any Hazardous Materials into, on, under or from the Phase IIIA(1)-Development Site, arising on or after Phase IIIA-Second Closing, or the presence in, on, or under the Phase IIIA(1)-Development Site of any Hazardous Materials that occurs on the Phase IIIA(1)-Development Site after Phase IIIA-Second Closing (or prior to Phase IIIA-Second Closing if due to the negligence or willful misconduct of the Master Developer or any person under the control of the Master Developer to the extent resulting in material harm to an Indemnitee); or

(3) any activity or omission of activity carried on or undertaken on or off the Phase IIIA(1)-Development Site, on or after Phase IIIA-Second Closing (or prior to Phase IIIA-Second Closing if due to the negligence or willful misconduct of the Master Developer or any Affiliates, employees, agents, contractors or subcontractors of the Master Developer to the extent resulting in material harm to an Indemnitee), and whether by the Master Developer or any Affiliates, employees, agents, contractors or subcontractors of the Master Developer or any successor in title that is related to the Master Developer occupying or present on the Phase IIIA(1)-Development Site, in connection with the handling, treatment, removal, storage, decontamination, cleanup, transport or disposal of any Hazardous Materials located or present on or under the Phase IIIA(1)-Development Site. The Master Developer's indemnity obligations as they pertain to activities occurring off the Property shall only extend to activities performed by or arising from activities performed by the Master Developer or any Affiliates, employees, agents, contractors or subcontractors of the Master Developer.

The foregoing indemnity shall further apply to any residual contamination on or under the Phase IIIA(1)-Development Site, or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with Environmental Law. The provisions of this subsection shall survive expiration of the Term or other termination of this Agreement, and shall remain in full force and effect. This indemnity obligation shall not extend to any claim arising solely from the Authority's negligence or willful misconduct.

Section 10.13 Environmental Provisions in Ground Lease.

(a) Any Phase IIIA(1)-Ground Lease for the Phase IIIA(1)-Development Site shall contain:

(1) the provisions of Sections 10.12, 10.14 and 10.16; and

(2) a list of the Hazardous Materials Documents and any additional environmental reports disclosing known Hazardous Materials.

(b) Any deed for the Phase IIIA(1)-Development Site shall be subject to the environmental provisions set forth in this Agreement, as incorporated in the applicable DDA.


Section 10.14 As-Is Conveyance.

(a) Any deed or ground lease for the Phase IIIA(1)-Development Site shall be made "AS IS," with no warranties or representations by the Authority concerning the condition of the site or any improvements, but subject to the Hazardous Materials provisions of Section 10.12 above. The Master Developer hereby agrees and acknowledges that subject to the preceding sentence and except in the event of any fraud, misrepresentation, or withholding of information by Authority: (i) neither Authority, nor anyone acting for or on behalf of Authority, has made any representation, statement, warranty or promise to the Master Developer concerning the development potential or condition of the Phase IIIA(1)-Development Site; (ii) in entering into this Agreement, the Master Developer has not relied on any representation, statement or warranty of Authority, or anyone acting for or on behalf of Authority, other than as may expressly be contained in writing in this Agreement; (iii) all matters concerning the Phase IIIA(1)-Development Site have been or shall be independently verified by the Master Developer and that the Master Developer shall purchase or lease the Phase IIIA(1)-Development Site based on the Master Developer's own prior examination thereof; and (iv) THAT THE MASTER DEVELOPER IS LEASING THE PHASE IIIA(1)-DEVELOPMENT SITE, AS APPLICABLE, IN AN "AS IS" PHYSICAL CONDITION AND IN AN "AS IS" STATE OF REPAIR.

(b) General Release. Subject to Sections 10.12 above, the Master Developer and its owners, employees, agents, assigns and successors agree that upon the Phase IIIA-Second Closing, the Master Developer shall be deemed conclusively to have released and discharged Authority and its agents, employees, trustees, assigns and successors, from any and all damages, losses, demands, claims, debts, liabilities, obligations, causes of action and rights, whether known or unknown, by the Master Developer regarding conveyance of the Phase IIIA(1)-Development Site, including but not limited to the environmental condition of any the Phase IIIA(1)-Development Site.

(c) Waiver of Civil Code § 1542. The Master Developer agrees that, with respect to the General Release contained in Section 10.14(b) above, the General Release extends to all matters regarding conveyance of the Phase IIIA(1)-Development Site, whether or not claimed or suspected, to and including the date of execution hereof, and constitutes a waiver of each and all the provisions of the California Civil Code § 1542, which reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

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(2) a list of the Hazardous Materials Documents and any additional environmental reports disclosing known Hazardous Materials.

(b) Any deed for the Phase IIIA(1)-Development Site shall be subject to the environmental provisions set forth in this Agreement, as incorporated in the applicable DDA.

Section 10.14 As-Is Conveyance.

(a) Any deed or ground lease for the Phase IIIA(1)-Development Site shall be made "AS IS," with no warranties or representations by the Authority concerning the condition of the site or any improvements, but subject to the Hazardous Materials provisions of Section 10.12 above. The Master Developer hereby agrees and acknowledges that subject to the preceding sentence and except in the event of any fraud, misrepresentation, or withholding of information by Authority: (i) neither Authority, nor anyone acting for or on behalf of Authority, has made any representation, statement, warranty or promise to the Master Developer concerning the development potential or condition of the Phase IIIA(1)-Development Site; (ii) in entering into this Agreement, the Master Developer has not relied on any representation, statement or warranty of Authority, or anyone acting for or on behalf of Authority, other than as may expressly be contained in writing in this Agreement; (iii) all matters concerning the Phase IIIA(1)-Development Site have been or shall be independently verified by the Master Developer and that the Master Developer shall purchase or lease the Phase IIIA(1)-Development Site based on the Master Developer's own prior examination thereof; and (iv) THAT THE MASTER DEVELOPER IS LEASING THE PHASE IIIA(1)-DEVELOPMENT SITE, AS APPLICABLE, IN AN "AS IS" PHYSICAL CONDITION AND IN AN "AS IS" STATE OF REPAIR.

(b) General Release. Subject to Sections 10.12 above, the Master Developer and its owners, employees, agents, assigns and successors agree that upon the Phase IIIA-Second Closing, the Master Developer shall be deemed conclusively to have released and discharged Authority and its agents, employees, trustees, assigns and successors, from any and all damages, losses, demands, claims, debts, liabilities, obligations, causes of action and rights, whether known or unknown, by the Master Developer regarding conveyance of the Phase IIIA(1)-Development Site, including but not limited to the environmental condition of any the Phase IIIA(1)-Development Site.

(c) Waiver of Civil Code § 1542. The Master Developer agrees that, with respect to the General Release contained in Section 10.14(b) above, the General Release extends to all matters regarding conveyance of the Phase IIIA(1)-Development Site, whether or not claimed or suspected, to and including the date of execution hereof, and constitutes a waiver of each and all the provisions of the California Civil Code § 1542, which reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

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(2) a list of the Hazardous Materials Documents and any additional environmental reports disclosing known Hazardous Materials.

(b) Any deed for the Phase IIIA(1)-Development Site shall be subject to the environmental provisions set forth in this Agreement, as incorporated in the applicable DDA.

Section 10.14 As-Is Conveyance.

(a) Any deed or ground lease for the Phase IIIA(1)-Development Site shall be made "AS IS," with no warranties or representations by the Authority concerning the condition of the site or any improvements, but subject to the Hazardous Materials provisions of Section 10.12 above. The Master Developer hereby agrees and acknowledges that subject to the preceding sentence and except in the event of any fraud, misrepresentation, or withholding of information by Authority: (i) neither Authority, nor anyone acting for or on behalf of Authority, has made any representation, statement, warranty or promise to the Master Developer concerning the development potential or condition of the Phase IIIA(1)-Development Site; (ii) in entering into this Agreement, the Master Developer has not relied on any representation, statement or warranty of Authority, or anyone acting for or on behalf of Authority, other than as may expressly be contained in writing in this Agreement; (iii) all matters concerning the Phase IIIA(1)-Development Site have been or shall be independently verified by the Master Developer and that the Master Developer shall purchase or lease the Phase IIIA(1)-Development Site based on the Master Developer's own prior examination thereof; and (iv) THAT THE MASTER DEVELOPER IS LEASING THE PHASE IIIA(1)-DEVELOPMENT SITE, AS APPLICABLE, IN AN "AS IS" PHYSICAL CONDITION AND IN AN "AS IS" STATE OF REPAIR.

(b) General Release. Subject to Sections 10.12 above, the Master Developer and its owners, employees, agents, assigns and successors agree that upon the Phase IIIA-Second Closing, the Master Developer shall be deemed conclusively to have released and discharged Authority and its agents, employees, trustees, assigns and successors, from any and all damages, losses, demands, claims, debts, liabilities, obligations, causes of action and rights, whether known or unknown, by the Master Developer regarding conveyance of the Phase IIIA(1)-Development Site, including but not limited to the environmental condition of any the Phase IIIA(1)-Development Site.

(c) Waiver of Civil Code § 1542. The Master Developer agrees that, with respect to the General Release contained in Section 10.14(b) above, the General Release extends to all matters regarding conveyance of the Phase IIIA(1)-Development Site, whether or not claimed or suspected, to and including the date of execution hereof, and constitutes a waiver of each and all the provisions of the California Civil Code § 1542, which reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

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The Master Developer herein acknowledges that the effect and import of the provisions of Civil Code § 1542 have been explained to it by its own counsel. The Master Developer understands and acknowledges the significance and the consequence of such specific waiver of unknown claims and hereby assumes full responsibility for any injuries, damages, losses or liabilities that it may hereinafter incur from the waiver of these unknown claims.

Section 10.15 City and Other Governmental Authority Permits. Before the commencement of construction or development of any buildings, structures or other work of improvement upon the Phase IIIA(1)-Development Site, the Master Developer shall, at its own expense, secure or cause to be secured any and all permits or other authorizations which may be required by the City or any other governmental agency regulating such construction, development or work. The Authority shall provide all assistance deemed appropriate by the Authority to the Master Developer in securing these permits.

Section 10.16 Mitigation Monitoring and Reporting Program. The Master Developer shall comply with the Mitigation Monitoring and Reporting Program adopted by the Authority concurrently with its approval of the MDA as that program may be amended from time to time, and expressly incorporated with this Agreement by this reference.

ARTICLE 11.
OWNERSHIP, OPERATION AND DISPOSITION OF
PHASE IIIA(1)-DEVELOPMENT

Section 11.1 Ownership. The Phase IIIA(1)-Development shall be owned by the Master Developer or its Affiliate and all net income therefrom shall be subject to the terms and provisions of the documents governing the operation of such Phase IIIA(1)-Development.

Section 11.2 Management of Developer. The managing general partner of Phase IIIA-Developer shall exercise day-to-day authority over the routine operations of the Phase IIIA-Developer. However, the partnership agreement will specify a list of decisions which require the consent of the other partners.

(a) Use. The Phase IIIA(1) Development shall be operated in accordance with the HUD Agreement.

(b) To the maximum extent permissible consistent with statutory and regulatory rights of public housing applicants and residents, the Master Developer will employ admission and occupancy standards, rent policies, lease provisions, and other management practices which represent best practices in the private sector, require responsibility, accountability and self-sufficiency efforts of residents to the maximum extent possible, and contribute to the success of the mixed-income community. The Authority shall have the right to review and approve all policies and lease documents (including, but not necessarily restricted to, the Master Developer's form of lease, management agreement, management plan, and any policies substantially relating to statutory or regulatory rights of public housing residents, such as admissions policies, continued occupancy policies, and grievance procedures).

(c) The Master Developer will draw applicants for the PHA-Replacement Units in a Mixed-Finance Rental Development first from the Existing Hunter View Residents, second from eligible Certificate of Preference Holders from the Agency's Certificate of Preference List, and then from a site-based waiting list, subject to applicable HUD requirements, and shall utilize screening and selection criteria approved by the Authority as set forth in the preceding subsection. The Master Developer acknowledges that Certificate of Preference Holders will also have a preference in the Mixed-Finance Rental Development since they were included in the Authority's approved Admissions and Continued Occupancy Policy.

(d) Property Management. The Master Developer's selection of a management agent, and the terms of any management agreement and management plan, will be subject to HUD's and the Authority's review and approval. Notwithstanding the foregoing (but still subject to the Authority's review of the management agreement), the initial management agent will be The John Stewart Company, the manager of the administrative general partner of the Master Developer.

(e) Property management fees will not exceed industry norms or HUD Safe Harbor Standards for comparable services involving subsidized properties in the San Francisco Bay Area market. The property manager will be subject to removal based upon strict performance-based standards, including high performance under the Public Housing Assessment System or any successor HUD system and, unless the property manager or an Affiliate is providing and performing under an operating deficit guarantee, meeting an annual cash-flow threshold established by the Phase IIIA-Developer and the Authority and approved by the development's lenders and the Tax Credit Investor.

Section 11.3 Purchase Option and Right of First Refusal. Following the close of the Tax Credit Compliance Period and subject to the approval of the Tax Credit Investor, the City (directly or through an affiliate) shall have an option (the "Purchase Option") to acquire the entire fee interest in the Phase IIIA(1)-Development, as further set forth in the Phase IIIA(1)-Ground Lease, for a purchase price equal to the greater of the (i) the sum of outstanding indebtedness and Tax Credit Investor's exit tax liability with a target level of such taxes established by the Authority that the Phase IIIA-Developer will make reasonable efforts not to exceed, or (ii) the fair market value of the Phase IIIA(1)-Development. Phase IIIA-Developer and the Authority shall make diligent efforts to structure the transaction with investors so as to minimize the exit tax liability. In addition, the City shall have a right of first refusal ("Right of First Refusal") with respect to transfer of the Phase IIIA(1)-Development to third parties, provided the Master Developer has received the minimum price permitted by the Internal Revenue Code without jeopardizing tax benefits promised to the Tax Credit Investor. The terms of the Purchase Option and Right of First Refusal shall be negotiated between the Parties prior and as a condition precedent to the Phase IIIA-Third Closing, and shall be set forth in a Purchase Option and Right of First Refusal Agreement (the "Purchase Option Agreement"), subject to the provisions of Section 3.3(b). The Purchase Option Agreement shall grant the City the right to exercise the Purchase Option and/or the Right of First Refusal, if the Authority elects not to exercise the Purchase Option and/or the Right of First Refusal, pursuant to the terms of the Purchase Option Agreement. If the City fails to exercise the Purchase Option and/or the Right of First Refusal, then the nonprofit managing general partner of the Phase IIIA-Developer shall

have the right to exercise the Purchase Option and/or the Right of First Refusal, pursuant to the terms of the Purchase Option Agreement.

ARTICLE 12.
PHASE IIIA(2)-DEVELOPMENT

Section 12.1 Phase IIIA(2)-Scope of Development. The Phase IIIA(2)-Development will consist of the construction of a park and open space , as shown on Lot A and Lot B on the Phase IIIA(2)-Development Site attached hereto as Exhibit B.

Section 12.2 Ownership Structure. The Authority will lease the Phase IIIA(2)-Development Site to the Master Developer. Subject to any legal obligations the Authority must fulfill as the current owner of the Phase IIIA(2)-Development Site, the Master Developer shall be responsible for obtaining, with assistance from the Authority, any necessary land use approvals for the development of the Phase IIIA(2)-Development Site, which approvals shall be obtained by the time set forth in the Phase IIIA(2)- Schedule of Performance. The Authority agrees to cooperate fully with the Master Developer's efforts to obtain such land use approvals for the Phase IIIA(2)-Development Site.

(a) Phase IIIA(2)-Ground Lease. By the time set forth in the Phase IIIA(2)-Schedule of Performance, the Authority shall enter into a ground lease to lease the Phase IIIA(2)-Development Site, and in which HUD has approved, prior to its execution the Master Developer, the terms and conditions of which shall be negotiated between the Parties (the "Phase IIIA(2)-Ground Lease"). It is the intent of the Parties that the Phase IIIA-Developer shall pay a lease payment capitalized at the fair market value of the unimproved value of the leasehold interest in the Phase IIIA(2)-Development Site determined at the time of conveyance, payable at One Dollar (\$1.00) annually as the base rent and the Additional Land Payment, payable out of Surplus Cash Flow pursuant to Section 8.2(b)(2).

(b) The Phase IIIA(2)-Ground Lease will provide for, without limitation, subject to final negotiations with lenders, a term commencing on the date of Phase IIIA-Second Closing and expiring approximately five (5) years after recordation the Memorandum of Phase IIIA(2)- Ground Lease. Upon completion of the Infrastructure Improvements, the Infrastructure Improvements will be transferred in fee by the Master Developer to the HV Community Association. Concurrently with the transfer from the Master Developer, the Authority intends to transfer, subject to the satisfaction of the conditions in Section 2.4(b), the fee interest in the Phase IIIA(2)-Development Site by grant deed to the HV Community Association.

Section 12.3 Master Developer Designation. Subject to events of Force Majeure as defined in Section 21.1(c), the Master Developer will implement the Phase IIIA(2)-Development in accordance with the Phase IIIA(2)-Schedule of Performance. The Master Developer will develop the Phase IIIA(2)-Development in its own name and for its own account, and not as agent or contractor of the Authority. For the purposes of 2 CFR Part 200, the Parties do not deem the Master Developer to be performing a contract for property or services, or operating under a subgrant of federal funds, while developing the Phase IIIA(2)-Development.

Section 12.4 Authority Commitments. Upon the performance by the Master Developer of all its prior obligations with respect to the Phase IIIA(2)-Development, as set forth herein, and upon such HUD approvals as may be required, Authority shall have leased the Phase IIIA(2)-Development Site pursuant to Section 12.3 to the Master Developer through the Phase IIIA(2)-Ground Lease.

ARTICLE 13.
PHASE IIIA(2) – CONDITIONS PRECEDENT TO PERFORMANCE
OF THE PHASE IIIA-SECOND CLOSING

(a) Mutual Conditions Precedent to the Phase IIIA Second Closing. The following are conditions precedent to the Phase IIIA-Second Closing:

(1) Phase IIIA(2)-Ground Lease. The Phase IIIA(2)-Ground Lease required by Section 12.3(a) shall have been executed by Authority and the Master Developer.

(b) The conditions set forth in Section 13.1(a) shall be satisfied by the Phase IIIA-Second Closing.

(c) Once final approval has been obtained from the City for the Infrastructure Improvements constructed on the Phase IIIA(2)-Development Site and the Infrastructure Improvements have been conveyed to HV Community Association, this Agreement and the Phase IIIA(2)-Ground Lease, in regards to the Phase IIIA(2)-Development, will terminate, except for any surviving indemnity provisions, and the Master Declaration of Restrictions will govern the Parties' obligations as to matters set forth in them. In the event of any conflict between the Phase IIIA(2)-Ground Lease and this Agreement, the provisions of the Phase IIIA(2)-Ground Lease will govern. No termination of this portion of this Agreement, in and of itself, shall release the other party from the obligations it has undertaken in the Phase IIIA(2)-Ground Lease nor increase the rights and remedies it may have under such documentation.

(d) Conditions Precedent to Authority Performance. The following is the condition precedent to Authority's obligation to enter into the Phase IIIA(2)-Ground Lease and close escrow at the Phase IIIA-Second Closing:

(1) No Defaults. The Phase IIIA-Developer or an Affiliate(s), as applicable, shall not be in default, and shall have completed all its predevelopment obligations required to be completed prior to Phase IIIA-Second Closing hereunder.

(2) The Title Company is prepared to issue to the Authority all title insurance required by Section 13.6(b) to be delivered to the Authority.

(3) HUD has approved the Phase IIIA(2)-Ground Lease. .

(e) Conditions Precedent to the Master Developer's Performance. The following are conditions precedent to the Master Developer's obligation to enter into the Phase IIIA(2)-Ground Lease at the Phase IIIA-Second Closing:

(1) Property Condition. There shall have been no material adverse change in the condition of the Phase IIIA(2)-Development Site, or discovery of a physical condition that would materially adversely interfere with the development of the Phase IIIA(2)-Development.

(2) Title Insurance. The Title Company is prepared to issue to the Master Developer all title insurance required by Section 13.6(a) to be delivered to the Master Developer.

(f) Phase IIIA-Second Closing. Authority's Obligation to Ground Lease. Provided that the conditions precedent in Sections 13.1 and 13.2 have been satisfied or expressly waived, the Authority and the Master Developer shall instruct the Title Company to complete the Phase IIIA-Second Closing as set forth below. The Parties hereby acknowledge and agree that Old Republic Title Company is an approved title company under this Section 13.4(a). At the Phase IIIA-Second Closing, the Authority shall deliver the Phase IIIA(2)-Development Site to the Master Developer under the Phase IIIA(2)-Ground Lease.

(g) Phase IIIA-Second Closing. The Phase IIIA-Second Closing related to the Phase IIIA(2)-Development shall be completed as follows:

(1) The Authority shall execute, acknowledge, deposit and deliver to the Title Company, as necessary and appropriate, the Phase IIIA(2)-Ground Lease, a memorandum of the Phase IIIA(2)-Ground Lease in form and substance acceptable to HUD, Authority and the Master Developer ("Memorandum of Phase IIIA(2)-Ground Lease"). .

(2) The Master Developer shall execute, acknowledge, deposit and deliver to the Title Company, as necessary and appropriate, the Phase IIIA(2)-Ground Lease and the Memorandum of Phase IIIA(2)-Ground Lease, and the Master Developer shall execute, acknowledge, deposit and deliver to the Title Company, as necessary and appropriate, the agreements listed in Section 13.1(a).

(3) The Authority and the Master Developer shall instruct the Title Company to consummate the escrow and upon Phase IIIA-Second Closing, the Title Company shall record in the Official Records the Memorandum of Phase IIIA(2)-Ground Lease and any other documents required to be recorded under the terms of this Agreement.

(4) The Title Company shall issue title policies to the Master Developer, and the Authority, as required in Section 13.6 below.

(h) Conditions of Title. Permitted Title Exceptions. The Authority shall convey the Phase IIIA(2)-Development Site to the Master Developer under and subject to the provisions of the Phase IIIA(2)-Ground Lease and subject only to such title exceptions as the Parties may agree prior to Conveyance and such other matters as the Master Developer shall cause or suffer to arise ("Permitted Title Exceptions").

(i) Developer's Remedies for Uncured Title Defect.

(1) If on or before the Phase IIIA-Second Closing, a title defect not caused by the Master Developer, its agents or Affiliates and which would materially and adversely affect the Phase IIIA(2)-Development Site arises and which the Authority does not elect to cure, (which election shall be at Authority's sole discretion, excepted as provided below), the Master Developer may by written notice to the Authority either: (i) terminate this Agreement; or (ii) accept the Phase IIIA(2)-Development Site under the Phase IIIA(2)-Ground Lease.

(2) The Authority shall be obligated, at Authority's expense, to cure any title defect which is curable by the payment of money or the posting of a bond if such title defect arises after the date of this Agreement and on or before the Phase IIIA-Second Closing, and is caused solely by the Authority, its agents or employees.

(3) Notwithstanding the above, the Master Developer shall take all necessary action to remove any utility easements which would materially and adversely affect the Phase IIIA(2)-Development.

Section 13.2 Title Insurance to be Issued at Phase IIIA-Second Closing. The Title Company shall issue:

(a) To the Phase IIIA-Developer, an ALTA extended coverage title insurance policy with such coinsurance or reinsurance and direct access agreements as the Master Developer may request reasonably, in an amount designated by the Master Developer insuring that the leasehold estate in the Phase IIIA(2)-Development Site is vested in the Master Developer subject only to the Permitted Title Exceptions, and with the CLTA form endorsements and such other endorsements as may be requested reasonably by the Master Developer.

(b) To the Authority, a 2006 ALTA Owner's Policy of insurance in an amount designated by the Authority insuring the Authority's fee interest in the Phase IIIA(2)-Development Site, subject only to such exceptions and exclusions as may be reasonably acceptable to the Authority, and containing such endorsements as may be requested reasonably by the Authority.

ARTICLE 14. PHASE IIIA(2)-FINANCING ARRANGEMENTS

Section 14.1 Phase IIIA(2)-Financing Plan and Financial Commitments. The Parties acknowledge that subject to financing commitments and other requirements, the Master Developer shall use diligent efforts to comply with the Phase IIIA(2)-Financing Plan. The Phase IIIA(2)-Financing Plan shall consist of the information set forth in subsection (a) below. The Approved Phase IIIA(2)-Development Budget shall provide the budget sources, and separately the budget uses for the Phase IIIA(2)-Component. The remaining information in subsections (a)(1)-(4) shall be submitted by the Master Developer to the Authority prior to the Phase IIIA-First Closing.

(a) Phase IIIA(2)-Component.

- (1) the Approved Phase IIIA(2)-Component Budget;
- (2) the sources and uses analysis for the period of the construction, including an analysis of subsidized financing necessary from the Authority, if any, and/or other public bodies, if any;
- (3) the sources and uses analysis from the date of the origination of the permanent loan, including an analysis of subsidized financing necessary from the Authority, if any, and/or other public entities, if any; and
- (4) all underlying assumptions for each of the above, including terms, conditions, and pricing of all debt and equity.

(b) Approvals. The Master Developer shall also submit to the Authority for approval any revisions to the Financing Plan for the Phase IIIA(2)-Component. The Master Developer shall submit to the Authority for review any and all commitments for financing necessary to undertake the construction of the Phase IIIA(2)-Component and for permanent financing necessary for the Phase IIIA(2)-Development.

ARTICLE 15. PHASE IIIA(2)-COMPONENT DESIGN

Section 15.1 Phase IIIA(2)-Design in Conformance with Scope of Development and Schematic Design. In designing and constructing the Phase IIIA(2)-Component, the Master Developer shall cause all subsequent design documents to be consistent with the Phase IIIA(2)-Scope of Development as it pertains to the Phase IIIA(2)-Component and the Phase IIIA(2)-Schematic Design approved by the Authority. The Phase IIIA-Scope of Development and the Phase IIIA(2)-Schematic Design shall establish the baseline design standards from which the Master Developer shall prepare all subsequent Phase IIIA(2)-Design Documents.

(a) The design of the Phase IIIA(2)-Component shall meet or exceed the accessibility requirements of Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, and the Fair Housing Act and their implementing regulations, to the extent applicable to the Phase IIIA(2)-Component.

Section 15.2 Phase IIIA(2)-Design Documents. The Master Developer shall cause its Engineer to proceed diligently to prepare design development and construction documents for the proposed Phase IIIA(2)-Component, consistent with the Phase IIIA-Scope of Development and the Phase IIIA(2)-Schematic Design, including, without limitation, such drawings as may reasonably be required to show the location, bulk, height and other principal external features of the proposed Phase IIIA(2)-Component. In connection with its submittal to the Authority (and the Authority's submittal to HUD) for approval, the Master Developer shall provide to the Authority such elevations, sections, plot plans, specifications, diagrams and other design documents ("Phase IIIA(2)-Design Documents") at each of the stages described in Section 15.3, as may reasonably be required by the Authority and HUD for review. The Phase IIIA(2)-Design

Documents shall incorporate any conditions imposed by the City's planning and entitlements process.

Section 15.3 Submittal and Review of Phase IIIA(2)-Design Documents. Within the times set forth in the Phase IIIA(2)-Schedule of Performance, the Master Developer shall submit to the Authority the Phase IIIA(2)-Design Documents in the following stages:

(a) Phase IIIA(2)-Design Drawings. The Phase IIIA(2)-Design Drawings shall be based on the Phase IIIA(2)-Schematic Design and the Phase IIIA-Scope of Development. The Phase IIIA(2)-Design Drawings shall indicate estimated structural dimensions, and delineation of site features and elevations, materials and colors, landscaping and other features. The drawings shall fix and describe all design features, as well as the size, character, and quality of the entire Phase IIIA(2)-Component as to architectural, structural, and mechanical systems. Key details shall be provided in preliminary form.

(b) Phase IIIA(2)-Final Construction Drawings. Phase IIIA(2)-Final Construction Drawings are to be a continuation of approved Phase IIIA(2)-Design Drawings. The Phase IIIA(2)-Final Construction Drawings shall provide all the detailed information necessary to allow for the Master Developer to obtain the building or site permits to build the Phase IIIA(2)-Component including complete building, site, landscape, requirements, standards, and specifications. The Master Developer shall provide material samples upon the reasonable request of the Authority.

Section 15.4 Project Approvals. Within the times set forth in Phase IIIA(2)-Schedule of Performance, the Authority shall have the right to review and approve the Phase IIIA(2)-Design Documents. The purpose of the Authority's review of the Phase IIIA(2)-Design Documents is to ensure consistency with the Phase IIIA-Scope of Development and the provisions of this Agreement. Provided that the architectural submittals meet the requirements set forth in Section 6.3, the Authority shall be required to approve those Phase IIIA(2)-Design Documents which are logical progressions from concepts set forth in previously approved Phase IIIA(2)-Design Documents. For purposes of this Article 15, "approval" means approval of the Authority Executive Director or the Authority Executive Director's designee.

Section 15.5 New Material Concerns. If the Authority determines that there are material changes which are not logical progressions from previously approved Phase IIIA(2)-Design Documents or which raise material concerns that were not reviewable in previously approved Phase IIIA(2)-Design Documents, then in approving or disapproving such Phase IIIA(2)-Design Documents, the Authority shall act in its reasonable discretion.

Section 15.6 No Change in Phase IIIA(2)-Design Documents. Once the Authority has approved Phase IIIA(2)-Final Construction Drawings, the Master Developer shall not make any changes in those documents which would materially impact the matters set forth in Section 15.3 without the prior written approval of the Authority, which approval shall be granted in the Authority's reasonable discretion and within the time periods set out in Section 38.4.

Section 15.7 Submittal and Review of Phase III(A)(2) Construction Contract. Within the times set forth in the Phase IIIA(2)-Schedule of Performance, the Master Developer shall

submit to the Authority for its approval the proposed construction contract and other construction documents for the Phase IIIA(2)-Component.

Section 15.8 Additional Permits and Approvals. Within the times specified in the Phase IIIA(2)-Schedule of Performance, the Master Developer shall obtain all permits and approvals necessary to construct the Phase IIIA(2)-Component. All applications for such permits and approvals shall be consistent with the approved Phase IIIA(2)-Design Documents. The Master Developer shall not commence construction under any permit, excluding any necessary demolition work pursuant to a separate agreement regarding demolition, until the Authority has approved the Final Phase IIIA(2)-Construction Drawings. The Master Developer acknowledges that execution of this Agreement by the Authority does not constitute approval by the City of any required permits, applications, or allocations, and in no way limits the discretion of the City in the permit, allocation and approval process.

Section 15.9 Authority Review. The Master Developer shall be solely responsible for all aspects of the Master Developer's conduct in connection with the Phase IIIA(2)-Component, including, but not limited to, the quality and suitability of the Phase IIIA(2)-Design Documents, the supervision of construction work, and the qualifications, financial condition, and performance of all architects, engineers, contractors, subcontractors, suppliers, consultants, and property managers. Any review or inspection undertaken by the Authority with reference to the Phase IIIA(2)-Component is solely for the purpose of determining whether the Master Developer is properly discharging its obligations to the Authority, and should not be relied upon by the Master Developer or by any third parties as a warranty or representation by the Authority as to the quality of the design or construction of the Phase IIIA-Development, or the Phase IIIA(2)-Component.

ARTICLE 16. PHASE IIIA(2)-COMPONENT CONSTRUCTION

Section 16.1 Commencement of Phase IIIA(2)-Component Construction. Subject to events of Force Majeure as defined in Section 21.1(c), the Master Developer shall commence or cause to be commenced construction of the Phase IIIA(2)-Component after the Phase IIIA-Second Closing in accordance with the Phase IIIA(2)-Schedule of Performance, which shall be known as the Phase IIIA(2)-Component.

Section 16.2 Completion of Phase IIIA(2)-Component Construction. The Master Developer shall diligently prosecute or cause to be prosecuted to completion the construction of the Phase IIIA(2)-Component, and shall complete or cause to be completed the construction of the Phase IIIA(2)-Component no later than the time specified in the Phase IIIA(2)-Schedule of Performance, subject to events of Force Majeure as defined in Section 21.1(c).

(a) Phase IIIA(2)-Component Construction Pursuant to Plans. The Master Developer shall construct or cause to be constructed the Phase IIIA(2)-Component substantially in accordance with the Final Phase IIIA(2)-Construction Drawings and the terms and conditions of all City and other governmental approvals.

(b) The Master Developer shall submit or cause to be submitted for Authority approval any proposed change in the Final Phase IIIA(2)-Construction Drawings which materially changes the size, location or elevation of the Phase IIIA(2)-Component or which would require an amendment to any approval or permits obtained from the City or other governmental agencies.

(c) No change which is required for compliance with building codes or other laws, codes or regulation shall be deemed material. However, the Master Developer must submit or cause to be submitted to the Authority, in writing, any change that is required for such compliance within ten (10) business days after making such change, and such change shall become a part of the approved Final Phase IIIA(2)-Construction Drawings, binding on the Master Developer.

Section 16.3 Phase IIIA(2)-Component Construction Bonds. The Master Developer shall require its contractor to procure and deliver to the Authority copies of labor and material (payment) bonds and performance bonds, or a dual bond which covers both payment and performance obligations, in a penal sum each of not less than one hundred percent (100%) of the scheduled cost of construction of the Phase IIIA(2)-Component, and one hundred percent (100%) payment bond. Said bonds shall be issued by a surety that is authorized to issue bonds in the State of California and is named in the current list of "Surety Companies acceptable on Federal Bonds" as published in Circular 570 by the U.S. Treasury Department, Financial Management Service, and that the amount of the bond is within the limit set by the Treasury Department as the net limit on any single risk. The labor and materials (payment) bond shall name the Authority as a co-obligee or assignee.

Section 16.4 Compliance with Applicable Law. The Master Developer shall cause all work performed in connection with the Phase IIIA(2)-Component to be performed in compliance with (a) all applicable laws, ordinances, rules and regulations of federal, state, county or municipal governments or agencies now in force or that may be enacted hereafter, (including, without limitation, the federal Davis-Bacon Act and state prevailing wages) and (b) all directions, rules and regulations of any fire marshal, health officer, building inspector, or other officer of every governmental agency now having or hereafter acquiring jurisdiction. The work shall proceed only after procurement of each permit, license, or other authorization that may be required by any governmental agency having jurisdiction, and the Master Developer shall be responsible to the Authority for the procurement and maintenance thereof, as may be required of the Master Developer and all entities engaged in work on the Phase IIIA(2)-Component.

Section 16.5 Non-Discrimination During Construction; Equal Opportunity. The Master Developer, for itself and its successors and assigns, and transferees agrees that in the construction of the Phase IIIA(2)-Component provided for in this Agreement:

(a) It will not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, ancestry, disability, medical condition, age, marital status, gender identity status, sex, sexual orientation, HIV status or Acquired Immune Deficiency Syndrome (AIDS) condition or perceived condition, or retaliation for having filed a discrimination complaint (nondiscrimination factors). The Master Developer will take affirmative action to ensure that applicants are considered for employment by the Master

Developer without regard to the nondiscrimination factors, and that the Master Developer's employees are treated without regard to the nondiscrimination factors during employment including, but not limited to, activities of: upgrading, demotion or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Master Developer agrees to post in conspicuous places, available to its employees and applicants for employment, the applicable nondiscrimination clause set forth herein;

(b) It will ensure that its solicitations or advertisements for employment are in compliance with the aforementioned nondiscrimination factors; and

(c) It will cause the foregoing provisions to be inserted in all contracts for the construction of the Phase IIIA(2)-Component entered into after the date of this Agreement; provided, however, that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

Section 16.6 Equal Opportunity/Non-Discrimination in Employment and Contracting Procedures, Including Utilization of Minority and Women Businesses. The Master Developer and the Authority acknowledge and agree that it is the policy of the Authority to promote and ensure equal opportunity through employment and in the award of contracts and subcontracts for construction. During the period of this Agreement, the Master Developer shall not discriminate on the basis of race, color, creed, religion, national origin, ancestry, disability, medical condition, age, marital status, gender identity status, sex, sexual orientation, HIV status or Acquired Immune Deficiency Syndrome (AIDS) condition or perceived condition, in the hiring, firing, promoting or demoting of any person. Subject to the foregoing, the Master Developer shall employ or select employees, contractors and subcontractors in accordance with the MOU.

(a) During the construction of the Phase IIIA(2)-Component, the Master Developer shall provide to the Authority such information and documentation as reasonably requested by the Authority.

(b) The Master Developer shall use reasonable efforts to monitor and enforce, or shall cause its general contractor to monitor and enforce, the equal opportunity requirements imposed by this Agreement. In the event, after notice from the Authority and an opportunity to cure such failure as set forth in Article 21 of this Agreement, the Master Developer fails to use reasonable efforts to monitor or enforce these requirements, the Authority may declare the Master Developer in default of this Agreement and pursue any of the remedies available under this Agreement.

(c) As requested, the Authority shall provide such technical assistance necessary to implement this Section 16.7.

Section 16.7 Prevailing Wages. In the construction of the Phase IIIA(2)-Component, for all on-site and adjacent construction activities, the Master Developer shall pay and assure that all contractors and subcontractors pay the general prevailing rate of per diem wages, as determined by the U.S. Labor Department pursuant to the federal Davis-Bacon Act and implementing rules and regulations, and the prevailing wage provisions of Sections 1720 et seq.

of the California Labor Code and implementing rules and regulations. The Master Developer shall comply with all applicable reporting and recordkeeping requirements.

Section 16.8 Progress Reports. Until the notice of completion is filed, the Master Developer shall provide the Authority with periodic progress reports, as reasonably requested in writing by the Authority, regarding the status of the construction of the Phase IIIA(2)-Component.

Section 16.9 Entry by the Authority. The Master Developer shall permit the Authority, through its officers, agents, or employees, to enter the Phase IIIA(2)-Development Site with advance written notice, at all reasonable times and in a safe, unobtrusive manner to review the work of construction to determine that such work is in conformity with the approved Final Phase IIIA(2)-Construction Drawings or to inspect the Phase IIIA(2)-Component for compliance with this Agreement. The Authority is under no obligation to: (a) supervise construction; (b) inspect the Phase IIIA(2)-Component; or (c) inform the Master Developer of information obtained by the Authority during any review or inspection, and the Master Developer shall not rely upon the Authority for any supervision, inspection, or information. However, the Master Developer shall work with the Authority to remedy any adverse conditions raised in the Authority's construction inspections.

Section 16.10 Taxes. The Master Developer, with such reasonable assistance and cooperation from the Authority as may be necessary, shall be responsible for obtaining a property tax exemption for the Phase IIIA(2)-Development. In the event that a property tax exemption is not available for reasons beyond the control of the Master Developer or the Authority, the Master Developer and the Authority shall provide for payment of property taxes in the Phase IIIA(2)-Ground Lease.

(a) Hazardous Materials. Disclosure. In fulfillment of the requirements of Health and Safety Code Section 25359.7(a), the Authority has provided the Master Developer with copies of the Hazardous Materials Documents listed in the attached Exhibit Q (the "Hazardous Materials Documents"). To the best of the Authority's knowledge, the Hazardous Material Documents depict the condition of the Property with respect to the matters covered in such documents as of the date of such documents and as of the date of this Agreement.

(b) Certain Covenants and Agreements. The Master Developer hereby covenants and agrees that:

(1) The Master Developer shall not knowingly permit the Phase IIIA(2)-Development Site or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Materials or otherwise knowingly permit the presence of Hazardous Materials in, on or under the Phase IIIA(2)-Development Site in violation of any applicable law;

(2) The Master Developer shall keep and maintain the Phase IIIA(2)-Development Site and each portion thereof in compliance with, and shall not cause or permit the Phase IIIA(2)-Development Site or any portion thereof to be in violation of, any Environmental Law;

(3) Upon receiving actual knowledge of the same the Master Developer shall immediately advise the Authority in writing of:

(i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against the Master Developer or the Phase IIIA(2)-Development pursuant to any applicable Environmental Laws;

(ii) any and all claims made or threatened by any third party against the Master Developer or the Phase IIIA(2)-Development relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in the foregoing clause (i) and this clause (ii) are hereinafter referred to as "Hazardous Materials Claims");

(iii) the presence of any Hazardous Materials in, on or under the Development Site in such quantities which require reporting to a government agency; or

(iv) the Master Developer's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Phase IIIA(2)-Development Site classified as "border zone property" under the provisions of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Phase IIIA(2)-Development Site under any Environmental Laws.

If the Authority reasonably determines that the Master Developer is not adequately responding to a Hazardous Material Claim or any condition in Section 13.12(b)(3)(iii) or (iv), the Authority shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any such Hazardous Materials Claims and to have its reasonable attorney's fees paid by the Master Developer.

(4) Without the Authority's prior written consent, which shall not be unreasonably withheld or delayed, the Master Developer shall not take any remedial action in response to the presence of any Hazardous Materials on, under, or about the Phase IIIA(2)-Development Site (other than in emergency situations or as required by governmental agencies having jurisdiction), nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Materials Claims.

(c) No Limitation. Except as otherwise provided herein, the Master Developer hereby acknowledges and agrees that the Master Developer's duties, obligations and liabilities under this Agreement are in no way limited or otherwise affected by any information the Authority may have concerning the development and/or the presence on the Phase IIIA(2)-Development Site of any Hazardous Materials, whether the Authority obtained such information from the Master Developer or from its own investigations.

(d) Master Developer Indemnity. The Master Developer hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to the Authority) the Authority, its board members, officers, agents, successors, assigns and employees (the "Indemnitees") from and against any and all claims, losses, damages, liabilities, fines,

penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, reasonable attorney's fees and expenses), arising directly or indirectly, in whole or in part, out of:

(1) the failure of the Master Developer or any other person or entity on or after Phase IIIA-Second Closing (or prior to Phase IIIA-Second Closing if due to the negligence or willful misconduct of the Master Developer or any person under the control of the Master Developer to the extent resulting in material harm to an Indemnitee), to comply with any Environmental Law relating in any way whatsoever to the handling, treatment, presence, removal, storage, decontamination, cleanup, transportation or disposal of Hazardous Materials into, on, under or from the Phase IIIA(2)-Development Site;

(2) any release or discharge of any Hazardous Materials into, on, under or from the Phase IIIA(2)-Development Site, arising on or after Phase IIIA-Second Closing, or the presence in, on, or under the Phase IIIA(2)-Development Site of any Hazardous Materials that occurs on the Phase IIIA(2)-Development Site after Phase IIIA-Second Closing (or prior to Phase IIIA-Second Closing if due to the negligence or willful misconduct of the Master Developer or any person under the control of the Master Developer to the extent resulting in material harm to an Indemnitee); or

(3) any activity or omission of activity carried on or undertaken on or off the Phase IIIA(2)-Development Site, on or after Phase IIIA-Second Closing (or prior to Phase IIIA-Second Closing if due to the negligence or willful misconduct of the Master Developer or any Affiliates, employees, agents, contractors or subcontractors of the Master Developer to the extent resulting in material harm to an Indemnitee), and whether by the Master Developer or any Affiliates, employees, agents, contractors or subcontractors of the Master Developer or any successor in title that is related to the Master Developer occupying or present on the Phase IIIA(2)-Development Site, in connection with the handling, treatment, removal, storage, decontamination, cleanup, transport or disposal of any Hazardous Materials located or present on or under the Phase IIIA(2)-Development Site. The Master Developer's indemnity obligations as they pertain to activities occurring off the Property shall only extend to activities performed by or arising from activities performed by the Master Developer or any Affiliates, employees, agents, contractors or subcontractors of the Master Developer.

The foregoing indemnity shall further apply to any residual contamination on or under the Phase IIIA(2)-Development Site, or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with Environmental Law. The provisions of this subsection shall survive expiration of the Term or other termination of this Agreement, and shall remain in full force and effect. This indemnity obligation shall not extend to any claim arising solely from the Authority's negligence or willful misconduct.

(e) Environmental Provisions in Ground Lease. Any Phase IIIA(2)-Ground Lease for the Phase IIIA(2)-Development Site shall contain:

- (1) the provisions of Sections 16.12, 16.14 and 16.16; and
- (2) a list of the Hazardous Materials Documents and any additional environmental reports disclosing known Hazardous Materials.

Any deed for the Phase IIIA(2)-Development Site shall be subject to the environmental provisions set forth in this Agreement, as incorporated in the applicable DDA.

Section 16.11 As-Is Conveyance.

(a) Any deed or ground lease for the Phase IIIA(2)-Development Site shall be made "AS IS," with no warranties or representations by the Authority concerning the condition of the site or any improvements, but subject to the Hazardous Materials provisions of Section 16.12 above. The Master Developer hereby agrees and acknowledges that subject to the preceding sentence and except in the event of any fraud, misrepresentation, or withholding of information by Authority: (i) neither Authority, nor anyone acting for or on behalf of Authority, has made any representation, statement, warranty or promise to the Master Developer concerning the development potential or condition of the Phase IIIA(2)-Development Site; (ii) in entering into this Agreement, the Master Developer has not relied on any representation, statement or warranty of Authority, or anyone acting for or on behalf of Authority, other than as may expressly be contained in writing in this Agreement; (iii) all matters concerning the Phase IIIA(2)-Development Site have been or shall be independently verified by the Master Developer and that the Master Developer shall purchase or lease the Phase IIIA(2)-Development Site based on the Master Developer's own prior examination thereof; and (iv) THAT THE MASTER DEVELOPER IS LEASING THE PHASE IIIA(2)-DEVELOPMENT SITE, AS APPLICABLE, IN AN "AS IS" PHYSICAL CONDITION AND IN AN "AS IS" STATE OF REPAIR.

(b) General Release. Subject to Sections 16.12 above, the Master Developer and its owners, employees, agents, assigns and successors agree that upon the Phase IIIA-Second Closing, the Master Developer shall be deemed conclusively to have released and discharged Authority and its agents, employees, trustees, assigns and successors, from any and all damages, losses, demands, claims, debts, liabilities, obligations, causes of action and rights, whether known or unknown, by the Master Developer regarding conveyance of the Phase IIIA(2)-Development Site, including but not limited to the environmental condition of any the Phase IIIA(2)-Development Site.

(c) Waiver of Civil Code § 1542. The Master Developer agrees that, with respect to the General Release contained in Section 16.14(b) above, the General Release extends to all matters regarding conveyance of the Phase IIIA(2)-Development Site, whether or not claimed or suspected, to and including the date of execution hereof, and constitutes a waiver of each and all the provisions of the California Civil Code § 1542, which reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

PC (initials) ____ (initials)

The Master Developer herein acknowledges that the effect and import of the provisions of Civil Code § 1542 have been explained to it by its own counsel. The Master Developer understands and acknowledges the significance and the consequence of such specific waiver of unknown claims and hereby assumes full responsibility for any injuries, damages, losses or liabilities that it may hereinafter incur from the waiver of these unknown claims.

Section 16.12 City and Other Governmental Authority Permits. Before the commencement of construction or development of any buildings, structures or other work of improvement upon the Phase IIIA(2)-Development Site, the Master Developer shall, at its own expense, secure or cause to be secured any and all permits or other authorizations which may be required by the City or any other governmental agency regulating such construction, development or work. The Authority shall provide all assistance deemed appropriate by the Authority to the Master Developer in securing these permits.

Section 16.13 Mitigation Monitoring and Reporting Program. The Master Developer shall comply with the Mitigation Monitoring and Reporting Program adopted by the Authority concurrently with its approval of the MDA as that program may be amended from time to time, and expressly incorporated with this Agreement by this reference.

ARTICLE 17.
PHASE IIIA – OBLIGATIONS WHICH CONTINUE THROUGH AND
BEYOND THE COMPLETION OF CONSTRUCTION

Section 17.1 Maintenance. The Master Developer hereby agrees that, upon Phase IIIA-Third Closing, and prior to completion of the construction of Phase IIIA-Development, the Phase IIIA-Development Site shall be maintained in a neat and orderly condition to the extent practicable and in accordance with industry health and safety standards.

Section 17.2 Non-Discrimination. The Master Developer covenants by and for itself and its successors and assigns acting as the Master Developer that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, sex, sexual orientation, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Phase IIIA-Development Site or of the Phase IIIA-Development by the Master Developer, nor shall the Master Developer or any person claiming under or through the Master Developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessee or vendees of the Phase IIIA-Development Site or of the Phase IIIA-Development.

Section 17.3 Mandatory Language in All Subsequent Deeds, Leases and Contracts. All deeds, leases or contracts entered into by the Master Developer on or after the date of execution of this Agreement as to any portion of the Phase IIIA-Development Site shall contain the following language:

CL (initials) ____ (initials)

The Master Developer herein acknowledges that the effect and import of the provisions of Civil Code § 1542 have been explained to it by its own counsel. The Master Developer understands and acknowledges the significance and the consequence of such specific waiver of unknown claims and hereby assumes full responsibility for any injuries, damages, losses or liabilities that it may hereinafter incur from the waiver of these unknown claims.

Section 16.12 City and Other Governmental Authority Permits. Before the commencement of construction or development of any buildings, structures or other work of improvement upon the Phase IIIA(2)-Development Site, the Master Developer shall, at its own expense, secure or cause to be secured any and all permits or other authorizations which may be required by the City or any other governmental agency regulating such construction, development or work. The Authority shall provide all assistance deemed appropriate by the Authority to the Master Developer in securing these permits.

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Section 17.2 Non-Discrimination. The Master Developer covenants by and for itself and its successors and assigns acting as the Master Developer that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, sex, sexual orientation, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Phase IIIA-Development Site or of the Phase IIIA-Development by the Master Developer, nor shall the Master Developer or any person claiming under or through the Master Developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessee or vendees of the Phase IIIA-Development Site or of the Phase IIIA-Development.

Section 17.3 Mandatory Language in All Subsequent Deeds, Leases and Contracts. All deeds, leases or contracts entered into by the Master Developer on or after the date of execution of this Agreement as to any portion of the Phase IIIA-Development Site shall contain the following language:

JDG (initials) ____ (initials)

The Master Developer herein acknowledges that the effect and import of the provisions of Civil Code § 1542 have been explained to it by its own counsel. The Master Developer understands and acknowledges the significance and the consequence of such specific waiver of unknown claims and hereby assumes full responsibility for any injuries, damages, losses or liabilities that it may hereinafter incur from the waiver of these unknown claims.

Section 16.12 City and Other Governmental Authority Permits. Before the commencement of construction or development of any buildings, structures or other work of improvement upon the Phase IIIA(2)-Development Site, the Master Developer shall, at its own expense, secure or cause to be secured any and all permits or other authorizations which may be required by the City or any other governmental agency regulating such construction, development or work. The Authority shall provide all assistance deemed appropriate by the Authority to the Master Developer in securing these permits.

Section 16.13 Mitigation Monitoring and Reporting Program. The Master Developer shall comply with the Mitigation Monitoring and Reporting Program adopted by the Authority concurrently with its approval of the MDA as that program may be amended from time to time, and expressly incorporated with this Agreement by this reference.

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Section 17.2 Non-Discrimination. The Master Developer covenants by and for itself and its successors and assigns acting as the Master Developer that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, sex, sexual orientation, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Phase IIIA-Development Site or of the Phase IIIA-Development by the Master Developer, nor shall the Master Developer or any person claiming under or through the Master Developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessee or vendees of the Phase IIIA-Development Site or of the Phase IIIA-Development.

Section 17.3 Mandatory Language in All Subsequent Deeds, Leases and Contracts. All deeds, leases or contracts entered into by the Master Developer on or after the date of execution of this Agreement as to any portion of the Phase IIIA-Development Site shall contain the following language:

(a) In Deeds.(1) “The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code , as those bases are defined in Sections 12926 , 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code , in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51, Section 4760, and Section 6714 of the Civil Code, and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).

(b) In Leases: (1) “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code , as those bases are defined in Sections 12926 , 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code , in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.”

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51, Section 4760, and Section 6714 of the Civil Code, and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).

(c) In Contracts: In contracts entered into by the Master Developer relating to the sale, transfer, or leasing of land or any interest therein acquired by the Master Developer within the Phase IIIA Development Site the foregoing provisions in substantially the forms set forth shall be included and the contracts shall further provide that the foregoing provisions shall

be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

Section 17.4 Employment Opportunity. During the operation of the Phase IIIA-Development, there shall be no discrimination by the Master Developer on the basis of race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry, or handicap in the hiring, firing, promoting, or demoting of any person engaged in the operation of the Phase IIIA-Development.

Section 17.5 Selection of Professionals, Contractors and Consultants.

(a) General. In no event shall Master Developer contract with any party which has been debarred or suspended by HUD under 2 CFR Part 200. All contracts entered into by the Master Developer with third parties shall contain all standard provisions required by HUD and shall otherwise be consistent with the requirements of this Agreement.

(b) Prohibited Arrangement. The Authority and Master Developer hereby represent and warrant that: (i) if there is an identity of interest between the Master Developer and the General Contractor, the Authority has demonstrated to HUD's satisfaction that the General Contractor was the lowest bidder in response to solicitation; or (ii) HUD has provided a written waiver of the certification requirement of 24 CFR § 941.606(n)(1)(ii)(B).

(c) MBE and WBE Participation. To achieve greater participation of minority business enterprises ("MBEs") and women's business enterprises ("WBEs") in contracts administered directly or indirectly by the Authority pursuant to Executive Orders 11625 and 12138, the Master Developer agrees to use its good faith and best efforts to:

- (1) place qualified MBEs and WBEs and small business concerns on solicitation lists;
- (2) divide the development services into smaller tasks or quantities to permit maximum participation by MBEs and WBEs and small business concerns;
- (3) use the services and assistance of the U.S. Small Business Administration, the Minority Business Development Agency of the U.S. Department of Commerce, any local minority assistance organizations and various state and local government small business agencies;
- (4) comply with such additional requirements relating to MBEs, WBEs, and Section 3 as set forth in the hiring and training plans developed by the Master Developer, and approved by the Authority.

(d) MBE/WBE Report. Each quarter, Master Developer shall, and shall cause each subcontractor to prepare and submit to the Master Developer the Section 3, MBE and WBE Report in the form prescribed by the Master Developer.

(e) Section 3. Master Developer shall, and to the extent practicable shall require its subcontractors to, ensure that employment opportunities shall be directed to (1) low-income housing residents of Hunters View, then (2) the Authority's other Section 8 and public housing residents, then (iii) low income residents of the City.

(f) MOU. The Master Developer shall comply with applicable provisions of the MOU. To the extent that requirements of the MOU are consistent with federal requirements described in this Section 17.5, the Master Developer's compliance with the MOU, shall be deemed in compliance with the federal provisions of this Section 17.5. The terms of the MOU attached hereto as Exhibit S are incorporated herein by this reference. The Master Developer shall comply with any federal requirements provided herein, which are not set forth in the MOU.

ARTICLE 18. PHASE IIIA – INSURANCE

Section 18.1 Insurance Requirements. The Master Developer shall maintain and keep in force insurance for the Phase IIIA-Development, of the following types, if applicable:

(a) Workers' Compensation insurance to the extent required by law, including Employer's Liability coverage, with limits not less than One Million Dollars (\$1,000,000) each accident.

(b) "All Risk" insurance against loss or damage by fire, flood and such other risks and matters, including without limitation, business interruption, rental loss, public liability, and boiler damage and liability. The amount of such insurance will not be less than one hundred percent (100%) of the full replacement value of the Development, including the cost of debris removal, without deduction for depreciation.

(c) Commercial General Liability insurance with limits not less than Five Million Dollars (\$5,000,000) each occurrence combined single limit for Bodily Injury and Property Damage, including coverages for Contractual Liability, Personal Injury, Broadform Property Damage, Products and Completed Operations.

(d) Commercial Automobile Liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit for Bodily Injury and Property Damage, including coverages for owned, non-owned and hired vehicles, as applicable; provided, however, that if the Master Developer does not own or lease vehicles for purposes of this Agreement, then no automobile insurance shall be required.

(e) The insurance coverages set forth in Part B, Attachment VII of the ACC. All such insurance shall provide that the Authority be given thirty (30) days prior written notice of any renewal, termination, cancellation, or other changes to such policies.

(f) The Master Developer shall cause architects working on the Phase IIIA-Development under direct contract with the Master Developer to maintain insurance of the types and in at least the minimum amounts described in subsections (a), (b), (c) and (d) above, except

that the limit of liability for design professional liability insurance for architects shall be Two Million Dollars (\$2,000,000).

(g) The required insurance shall be provided under an occurrence form, and the Master Developer shall maintain such insurance until Phase IIIA-Construction Completion. Should any of the required insurance be provided under a form of coverage that includes an annual aggregate limit that does not apply separately to this Phase IIIA-Development or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be twice the occurrence limits specified above.

(h) Commercial General Liability, Commercial Automobile Liability and Property insurance policies shall be endorsed to name as an additional insured the Authority and its officers, agents, employees and members of the Authority Commission.

(i) All policies and bonds shall be endorsed to provide thirty (30) days prior written notice of cancellation, reduction in coverage, or intent not to renew to the address established for notices to the Authority.

Each policy shall name the Authority, its officers and employees as an additional insureds and, in instances where the Authority is acting as a lender, as a loss payee. Each such policy shall be underwritten and issued by companies authorized to do business in California, with Best's Rating of at least A:VII or better. The Master Developer shall provide the Authority with certificates of insurance evidencing the limits and coverages required by this Article 18.

ARTICLE 19. PHASE IIIA – GENERAL DUTIES OF PARTIES

Section 19.1 Master Developer's Obligations. In addition to any obligations stated elsewhere in this Agreement, the Master Developer shall have the following duties and responsibilities:

(a) Affiliates. All obligations of the Master Developer stated herein shall include, without explicit mention, its obligation to cause any Affiliate to meet the same obligations with respect to matters in which the Affiliate is involved.

(b) Requirements. The Master Developer shall diligently and in good faith seek to develop the Phase IIIA-Development in accordance with the requirements of this Agreement and all Applicable Requirements.

(c) Phase IIIA-Development Schedule. The Master Developer shall use its best efforts accomplish all tasks shown on the Phase IIIA-Schedule of Performance by the date shown on the Phase IIIA-Schedule of Performance.

(d) Financing. The Master Developer shall use best efforts to obtain binding commitments for all construction and permanent financing, including any public funding, needed for the Phase IIIA-Development, and shall prepare or negotiate appropriate documentation to

close such financing or obtain such funding. All financing placed on the Phase IIIA-Development Site shall be subject to the review and approval of the Authority.

(e) Employees, Agents and Contractors. Except as otherwise stated herein and upon consultation and coordination with the Authority, the Master Developer shall be solely responsible for the selection, hiring, contracting with, directing, and discharging of all employees, agents and contractors whom or which the Master Developer utilizes in accomplishing its duties hereunder. The Master Developer shall use reasonable care and due diligence to select qualified, competent and trustworthy entities and individuals for such purposes. Notwithstanding the foregoing, the Authority shall have the right to require the Master Developer to terminate or reassign any employee, agent or contractor upon evidence of a conflict of interest causing the Authority to violate its obligations under Applicable Requirements.

(f) Approvals. The Master Developer shall, on an ongoing and timely basis, advise the Authority as to the status of the processing of all applications necessary to obtain all governmental approvals required in accordance with this Agreement and all applicable federal, State and local laws, rules and regulations, subject to Section 30.4 hereof. The Master Developer shall advise the Authority of any hearings regarding matters described in this Agreement with sufficient advance notice to enable the Authority to elect to attend such hearings.

(g) Applications. The Master Developer shall keep the Authority fully informed, and consult with the Authority concerning the development of all applications for government assistance and public or private financing. The Master Developer will provide the Authority with a reasonable number of copies of all formal submissions.

(h) Cooperation and Skill. The Master Developer recognizes the relationship of trust and confidence established between it and the Authority by this Agreement and agrees to: (i) keep itself and the Authority fully informed as to the progress of the Development; (ii) consult and cooperate fully with the Authority (and for this purpose the Authority shall include the Authority's representatives) in furthering the interest of the Authority in the Development as set forth in the Project Plan; (iii) furnish its best skill and judgment in the accomplishment of the Phase IIIA-Development; and (iv) furnish sound business administration and superintendence.

(i) Indemnification. Except as otherwise provided in Sections 7.12(d), 7.14, and 16.12(d) of this Agreement relating to Hazardous Materials, the Master Developer shall indemnify, defend and hold harmless the Authority and its commissioners, council members, board members, directors, officers, employees and agents (the "Indemnified Parties") from and against any and all losses, costs, damages, claims, causes of action, demands, suits, liabilities, obligations, judgments and expenses (including any reasonable attorney's fees and other costs of litigation) arising out of or relating to any injury, disease or death of persons or damage to or loss of property resulting from or in connection with any breach by the Master Developer, its Affiliates, or its or their respective agents or employees of any provision of this Agreement, or arising out of any performance of activities under this Agreement by the Master Developer, its Affiliates, or its or their respective agents or employees, except to the extent such claims arise from the gross negligence or willful misconduct of the Indemnified Parties. The Master

Developer's liability shall not be limited by any provisions or limits of insurance set forth in this Agreement. This indemnification shall survive the expiration or termination of this Agreement.

(j) Additional Responsibilities. Except at the election of the Authority, the Master Developer, in consultation with the Authority, shall prepare for execution by the Authority all required applications, evidentiaries, reports to HUD or any and all other agencies that may be required to obtain permits, approvals and the like.

Section 19.2 Authority Obligations. In addition to any obligations stated elsewhere in this Agreement, the Authority shall have the following duties and responsibilities.

(a) Approvals. The Authority shall review on an expeditious basis any matter submitted and advise the Master Developer of approval or of why approval is being withheld. The Authority's approval, where called for in this Agreement, shall in all instances be evidenced by a writing explicitly granting such approval and signed by the Executive Director, or his written designee.

(b) Access to Site. So long as it retains title to or control of any portion of the Property, the Authority shall provide the Master Developer reasonable access to such portion of the Property.

(c) Execution of Documents. The Authority shall maintain sole authority for the execution of documents as the grantee under applicable grant agreements with HUD or applicable law or regulation. Whenever statute or regulation or the successful implementation of the Agreement requires the Authority to take actions or execute documents consistent with the Authority's powers and obligations under this Agreement, the Authority will do so promptly, provided that any documents prepared for the Authority's execution shall be in form and substance acceptable to the Authority in its sole discretion.

(d) HUD Approvals. The Authority will endeavor, with the Master Developer's assistance, to secure the approval of HUD for any activities contemplated herein over which HUD has authority.

(e) Mutual Obligations. External Communications. The Parties agree to cooperate and consult with each other regarding any public statements or publications made regarding the Revitalization. The Authority, as grant recipient, shall have the final decision with regard to communications with local elected officials, former and prospective tenants, and with HUD relating to the HUD Funds. The Parties agree that the foregoing sentences shall not prevent the Master Developer from continuing to meet with the Existing Hunters View Residents regarding the Development.

(f) Information. The Authority and the Master Developer shall provide each other all necessary information relating to the Project Plan, as expeditiously as possible for the orderly progress of the Revitalization. In addition, the Authority and the Master Developer shall coordinate regarding all relevant communications with HUD, and each shall provide the other with copies of all relevant correspondence, directives, and other written material either to or from HUD with respect to this Revitalization. The Authority and the Master Developer will meet as

frequently as may be necessary, but no less often than monthly, for regular briefings and progress reports.

ARTICLE 20.
PHASE IIIA– TERMINATION WITHOUT FAULT

Section 20.1 Phase IIIA-Development Contingencies. The Parties agree that the following matters are conditions precedent to the Authority's and the Master Developer's ability to proceed with the Phase IIIA-Development and to fulfill the terms and conditions of this Agreement. The Parties' ability to perform responsibilities hereunder is substantially contingent upon actions by third parties over which the Master Developer and Authority have limited control, or upon factual circumstances which cannot be fully determined as of the date of this Agreement ("Development Contingencies"). Such Development Contingencies are as follows:

(a) Initial Development Contingencies. The following initial Development Contingencies must be met as to the Phase IIIA-Development at the time set forth in the Phase IIIA(1)-Schedule of Performance, the Phase IIIA(2)-Schedule of Performance or the Phase IIIA(3)-Schedule of Performance, as applicable:

(1) The award of tax credits or tax-exempt bond financing allocations in commercially reasonable and feasible amounts;

(2) The commitment of all projected assistance or reasonable substitutions therefor, including grants, loans and land transfers from other governmental bodies; and

(3) The receipt of all other necessary government approvals and permits which are required in order to obtain a tax credit allocation.

(b) Development Contingencies after Tax Credit Award. In addition, the following Development Contingencies must be met no later than the date by which construction must begin on the Phase IIIA(1)-Development in order to reasonably meet tax credit requirements after receipt of an award of tax credits:

(1) The commitment of an equity investment at projected or other commercially reasonable rates;

(2) The commitment of private loans and other financing sources under projected or other commercially reasonable terms and conditions;

(3) The identification and commitment of funds sufficient to perform environmental remediation to the levels required by the appropriate regulatory agencies; and

(4) The receipt of HUD approval of the Project Plan, if applicable, and all evidentiaries.

Section 20.2 Revision or Termination. In the event a Development Contingency does not occur, so long as the Master Developer is in full compliance with this Agreement and has used its best efforts to cause it to occur, in a manner generally consistent with the Project Plan and in a manner which reasonably permits the accomplishment of the Revitalization in accordance with this Agreement, the Parties will attempt to revise the Project Plan in a mutually acceptable fashion by extending deadlines, revising goals, or otherwise. If the Parties cannot, within sixty (60) days after the failure of a Development Contingency to occur, agree to amend the Project Plan or cannot thereafter secure HUD approval of any amendment so agreed to, then the Authority or the Master Developer may terminate this Agreement as to the Phase IIIA-Development only, unless indicated otherwise, by delivering written notice to the other party.

Section 20.3 No Liability. In the event that the Master Developer or the Authority terminates this Agreement as provided in this Article 20, neither party shall have any liability to the other except under any predevelopment loans or separate contracts entered pursuant to this Agreement and except for continuing indemnities provided elsewhere in this Agreement.

ARTICLE 21. PHASE IIIA– TERMINATION FOR CAUSE

Section 21.1 Events of Default by the Phase IIIA-Developer. The following shall constitute an Event of Default by the Phase IIIA-Developer:

(1) if the Phase IIIA-Developer shall fail to use diligent efforts comply with the Phase IIIA-Schedule of Performance (other than due to Force Majeure as defined in Section 21.1(c)) and such failure shall continue after expiration of the notice and cure period set forth in Section 21.3(a); or

(2) if the Phase IIIA-Developer or its Affiliate(s), as applicable shall materially breach or fail to diligently pursue its obligations under this Agreement (other than due to Force Majeure as defined in Section 21.1(c)) and such failure shall continue after expiration of the notice and cure period set forth in Section 21.3(a); or

(3) any fraud or willful misconduct on the part of the Phase IIIA-Developer; or

(4) if the Phase IIIA- Developer or any of Phase IIIA-Developer's partners, or any Guarantor: (i) is or becomes insolvent or bankrupt or otherwise ceases to pay its debts as they mature or makes any arrangement with or for the benefit of its creditors or consents to or acquiesces in the appointment of a receiver, trustee or liquidator for the Phase III-Development or for any substantial part of it; (ii) institutes any bankruptcy, winding up, reorganization, insolvency, arrangement or similar proceeding under the laws of any jurisdiction, or any such proceeding is instituted against the Phase IIIA-Developer or any the Phase IIIA-Developer's partners in any jurisdiction which is not stayed or dismissed within ninety (90) days after its institution; (iii) files any action or answer admitting, approving or consenting to any such proceeding; (iv) becomes subject to levy of any distress, execution or attachment upon its property which interferes with its performance hereunder, and the Phase IIIA-Developer or

Phase IIIA-Developer's partners fails within thirty (30) days to discharge such levy, execution or attachment, or to substitute another entity (whether or not an Affiliate) acceptable to the Authority to perform the obligations of the Phase IIIA-Developer without material delay in performance; or (v) is convicted of any criminal offense or violation of law; provided, however, that the bankruptcy or insolvency of any of the Phase IIIA-Developer's partners shall not be considered an Event of Default of the Phase IIIA-Developer provided: (a) such events would not trigger a default (subject to all applicable notice and cure periods) under the Phase IIIA(1)-Developer's partnership agreement; (b) the Phase IIIA-Developer is not otherwise in violation or in breach of any provision of this Agreement; and (c) the Phase IIIA-Developer, subject to the Authority's concurrent, has the ability to continue to meet its obligations under the Agreement.

(b) An Event of Default hereunder by the Phase IIIA-Developer with respect to any portion of the Phase III-Development shall constitute an Event of Default by the Phase IIIA-Developer for which the Authority may exercise any of its remedies under this Agreement with respect to the Phase IIIA-Developer and the entire Phase III-Development.

(c) For purposes hereof, "Force Majeure" shall mean causes beyond the control and without the fault or negligence the Phase IIIA-Developer. Such causes shall include without limitation: (i) acts of God, or of the public enemy; (ii) court order, acts, delays, failure or refusal to act on the part of a governmental entity in either its sovereign or contractual capacity; (iii) acts of a contractor other than Phase IIIA-Developer, or subcontractor, in the performance of an agreement with the Authority (and not pursuant to a contract with the Phase IIIA-Developer); (iv) riots, war or acts of terrorism; (v) fires; (vi) floods or earthquakes; (vii) epidemics; (viii) quarantine restrictions; (ix) strikes or lockouts; (x) freight embargoes; (xi) litigation; (xii) non-issuance of permits; (xiii) lack of HUD approval; (xiv) unusually severe weather; (xv) the presence of hazardous materials or archeological finds on the Phase III-Development Site; or (xvi) delays of subcontractors or suppliers at any tier arising from unforeseeable causes.

(d) Events of Default by the Authority. It shall be an Event of Default by the Authority if the Authority shall fail to use diligent efforts to perform its obligations under this Agreement and such failure shall continue after expiration of notice and cure periods set forth in Section 21.3(a).

(e) It shall not be an Event of Default if any failure by Authority arises due to Force Majeure. For purposes hereof, "Force Majeure" shall mean causes beyond the control and without the fault or negligence of Authority. Such causes shall include without limitation: (i) acts of God, or of the public enemy; (ii) court order, acts, refusal, delay or failure to act on the part of a governmental entity (other than the Authority) in either its sovereign or contractual capacity; (iii) acts of another contractor or subcontractor in the performance of an agreement with the Master Developer (and not pursuant to a contract with the Authority or an affiliate of Authority); (iv) riots, war or acts of terrorism; (v) fires; (vi) floods or earthquakes; (vii) epidemics; (viii) quarantine restrictions; (ix) strikes or lockouts; (x) freight embargoes; (xi) litigation; (xii) non-issuance of permits; (xiii) lack of HUD approval; (xiv) unusually severe weather; (xv) the presence of hazardous materials of archeological finds on the Phase IIIA-

Development Site; or (xvi) delays of subcontractors or suppliers at any tier arising from unforeseeable causes.

(f) Procedure for Termination for Cause/Remedies. The occurrence of any event described in Sections 21.1(a)(1) or (2) or 21.2(a) shall not constitute an Event of Default unless the non-defaulting party has delivered written notice of default to the defaulting party, and such defaulting party shall fail to cure the default within thirty (30) days from its receipt of such notice or, if such cure cannot reasonably be completed within such thirty (30) day period, fails to commence such cure or having commenced, does not prosecute such cure with diligence and dispatch to completion within a reasonable time period thereafter, provided that such time period does not exceed one hundred twenty (120) days. Notwithstanding the foregoing, if any event described in Section 21.1(a)(1) or (2) or 21.2(a) occurs within thirty (30) days of the Phase IIIA-Third Closing, the defaulting party shall have only until the Phase IIIA-Third Closing to cure such default.

(g) Upon the occurrence of an Event of Default by either party, the non-defaulting party shall be entitled to all remedies permitted by law or at equity, including but not limited to specific performance.

(h) Except with respect to any rights and remedies and expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties to this Agreement, whether provided by law, in equity or by this Agreement, are cumulative, and not in derogation of other rights and remedies found in this Agreement and, after the Phase IIIA-Second Closing, in the Phase IIIA(1)-Ground Lease. The exercise by either party of any one or more of such remedies will not preclude the exercise by it, at the same or a different time, of any other such remedies for the same default or breach or of any of its remedies for any other default or breach by the other party. No waiver made by either party with respect to the performance, or manner or time of performance, or any obligation of the other party or any condition to its own obligation under this Agreement will be considered a waiver with respect to the particular obligation of the other party or condition to its own obligation beyond those expressly waived to the extent of such waiver, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of the other party.

ARTICLE 22.
RESERVED

ARTICLE 23.
REPRESENTATIONS AND WARRANTIES

Section 23.1 The Master Developer's Warranty of Good Standing and Authority. The Master Developer hereby represents and warrants to the Authority as follows:

(a) Organization. The Master Developer is duly organized and validly existing and is (or shall be prior to the commencement of activities under this Agreement) in good standing under the laws of the State of California and has the power and authority to own

its property and carry on its business as now being conducted. The Master Developer shall provide an opinion to this effect from its counsel at the time of execution of this Agreement.

(b) Authority of the Master Developer. The Master Developer has full power and authority to execute and deliver this Agreement and to make and accept the borrowings contemplated hereunder, to execute and deliver all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

(c) Authority of Persons Executing Documents. This Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement have been or will be executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of the Master Developer, and all actions required under the Master Developer's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, have been duly taken (to the extent such actions are required as of the date of execution and delivery of the above-named documents).

(d) Valid and Binding Agreements. This Agreement and all other documents or instruments which have been executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered constitute, legal, valid and binding obligations of the Master Developer enforceable against it in accordance with their respective terms, subject to the laws affecting creditors rights and principles of equity.

(e) No Breach of Law or Agreement. Neither the execution nor delivery of this Agreement or of any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on the Master Developer, or any provision of the organizational documents of the Master Developer, or will conflict with or constitute a breach of or a default under any agreement to which the Master Developer is a party, or will result in the creation or imposition of any lien upon any assets or property of the Master Developer, other than liens established pursuant hereto.

(f) Pending Proceedings. Except as disclosed in writing to Authority prior to execution of this Agreement, the Master Developer is not in default under any law or regulation or under any order of any court, board, commission or agency whatsoever, and, to the best of its knowledge, there are no claims, actions, suits or proceedings pending or, to the knowledge of the Master Developer, threatened against or affecting the Master Developer or the Phase IIIA-Development, at law or in equity, before or by any court, board, commission or agency whatsoever.

(g) Financial Statements. The financial statements of the Master Developer and other financial data and information furnished by the Master Developer to the Authority

fairly present the information contained therein. As of the date of this Agreement, there has not been any adverse, material change in the financial condition of the Master Developer from that shown by such financial statements and other data and information.

Section 23.2 Authority's Warranty of Good Standing and Authority. The Authority represents and warrants to the Master Developer that: (i) the Authority is a duly organized, validly organized, public body, corporate and politic, and is in good standing under the laws of California; (ii) the Authority has all necessary power and authority under California law; (iii) this Agreement has been duly entered into and is the legally binding obligation of the Authority; (iv) this Agreement will not violate any judgment, law, consent decree, or agreement to which the Authority is a party or is subject to and will not violate any law or ordinance under which the Authority is organized; and (v) there is no claim pending, or to the best knowledge of the Authority, threatened, that would impede the Authority's ability to perform its obligation hereunder.

Articles 24 through 35 are related solely to the Phase IIIB-Development.

ARTICLE 24.
PHASE IIIB-DEVELOPMENT

The primary purpose of this Agreement in regards to the Phase IIIB-Development is to evidence to potential lenders that the Master Developer has site control of the Phase IIIB-Development Site. The Parties acknowledge and agree that the Master Developer has not yet determined the configuration of the Phase IIIB Development. The Parties further agree that as of the date of this Agreement, the Master Developer anticipates that the Phase IIIB-Development will be market rate rental and ownership housing (the "Market Rate Housing Component"). The Authority agrees that in connection with the Market Rate Housing Component, that it will not have any rights to review and approve the design, plans and specifications and construction documents related to the Market Rate Housing Component, but shall instead rely upon the City's approval process; subject to the conditions provided in that certain agreement between the City and the Authority agreeing to such process. Once the Market Rate Housing Component of the Phase IIIB Development has been established, the Parties agree to amend this Agreement in a manner consistent with the foregoing.

ARTICLE 25.
PHASE IIIB – INITIAL SHORT-TERM GROUND LEASE

Section 25.1 Initial Ground Lease. To facilitate the commencement of certain preconstruction improvements on the Phase IIIB-Development Site, the Authority and the Master Developer shall enter into a short-term ground lease for the conveyance of the Phase IIIB-Development Site from the Authority to the Master Developer for an initial lease term of five (5) years (the "Phase IIIB-Initial Ground Lease"), subject to an extension for an additional five (5) year term if requested by the Master Developer, pursuant to the terms hereof, and approved by the Authority.

The terms and obligations of the Parties shall be set forth in the Phase IIIB-Initial Ground Lease. The Phase-IIIB Development Site shall revert back the Authority if the Master Developer fails to commence the Phase IIIB-Vertical Construction on the Phase IIIB-Development Site by the time set forth in the Phase IIIB-Schedule of Performance. The provisions of this Section 25.1 shall be set forth in the Phase IIIB-Initial Ground Lease and the Declaration of Trust. The Parties acknowledge and agree that HUD approval of the Phase IIIB-Initial Ground Lease is required, as a condition precedent for the execution of such Phase IIIB-Initial Ground Lease.

Section 25.2 Opening Escrow. To accomplish the leasing of the Phase IIIB-Development Site from the Authority to the Master Developer, the Parties shall establish an escrow account with the Title Company. The Parties shall execute and deliver all written instructions to the Title Company to accomplish the terms hereof, which instructions shall be consistent with this Agreement.

Section 25.3 Phase IIIB-First Closing. Escrow for the leasing of the Phase IIIB-Development Site shall close on a date mutually acceptable to the Authority and the Master Developer, but in no event later than the date set forth in the Phase IIIB-Schedule of Performance, as it may be amended, or such later date that the Authority and the Master Developer agree upon (the "Phase IIIB-First Closing"), which the Parties have agreed will occur at the same time of the Phase IIIA-Second Closing. In addition, the following conditions shall be satisfied prior to or concurrently with, and as conditions of, conveyance of the Phase IIIB-Development Site:

(a) The Master Developer shall provide the Authority with certified copies of the Master Developer's formation documents, authorizing resolutions, approving the Phase IIIB-Initial Ground Lease and all Authority documents to be executed by the Master Developer, as applicable.

(b) The Master Developer shall have furnished the Authority with evidence of insurance coverage pursuant to Section 29.6 below.

(c) There shall exist no condition, event or act which would constitute a breach or default under this Agreement or any other Authority document or which, upon the giving of notice or the passage of time, or both, would constitute such a breach or default.

(d) All representations and warranties of the Master Developer contained in any Authority Document shall be true and correct as of the Phase IIIB-First Closing.

(e) Costs of Escrow and Phase IIIB-First Closing. Ad valorem taxes, if any, shall be prorated as of the date of conveyance. All costs of closing the leasing the Phase IIIB-Development Site, including but not limited to, the cost of title insurance, transfer tax, title company document preparation, recordation fees and the escrow fees of the title company shall be paid by the Master Developer.

(f) The Authority shall obtain written approval from HUD for the disposition of the Phase IIIB-Development Site.

(g) The Authority shall execute, acknowledge, deposit and deliver to the Title Company, as necessary and appropriate, the Phase IIIB-Initial Ground Lease, a memorandum of the Phase IIIB-Initial Ground Lease in form and substance acceptable to HUD, the Authority and the Master Developer ("Memorandum of Phase IIIB-Initial Ground Lease").

(h) The Master Developer shall execute, acknowledge, deposit and deliver to the Title Company, as necessary and appropriate, the Phase IIIB-Initial Ground Lease and the Memorandum of Phase IIIB-Ground Lease.

(i) The Authority and the Master Developer shall instruct the Title Company to consummate the escrow and upon Phase IIIB-First Closing, the Title Company shall record in the Official Records the Memorandum of Phase IIIB-Initial Ground Lease and any other documents required to be recorded under the terms of this Agreement.

(j) The Title Company shall issue title policies to the Master Developer, and the Authority, as requested.

Section 25.4 Grading and Site Preparation. Immediately after the Phase IIIB-First Closing (which is also the Phase IIIA(1)-Second Closing), the Master Developer shall commence construction of that portion of the Phase IIIB-Infrastructure Improvements related to grading and site preparation work on the Phase IIIB-Development Site. Such work shall commence and be completed by the time set forth in the Phase IIIB-Schedule of Performance.

ARTICLE 26. PHASE IIIB – CONDITIONS PRECEDENT TO AUTHORITY PERFORMANCE

Section 26.1 Conditions Precedent to Authority Performance. As conditions precedent to the Authority's obligation to convey the Phase IIIB-Development Site to the Master Developer, the conditions set forth in this Article 26 must first be met by the Master Developer or waived by the Authority where applicable by the times specified in the Phase IIIB-Schedule of Performance or such other date as may be agreed upon by the Parties.

Section 26.2 Timing of Phase IIIB-Development. The Parties acknowledge and agree that at the time of this Agreement, the Master Developer has not determined the timing or the exact configuration of the Phase IIIB-Development. Therefore, the Phase IIIB-Schedule of Performance provides an estimated time of performance based on the current information available to the Master Developer for the construction of the Phase IIIB-Development. It is the intent that Lots 1, 2, 5, 6 and 7 and the Phase IIIB-Infrastructure Improvement construction under Section 25.5, on the Phase IIIB-Development Site as shown on Exhibit C, will be conveyed to the Master Developer under the Phase IIIB-Ground Lease when the Phase IIIB-Developer is ready to proceed with the construction of the Phase IIIB-Development. Upon the conveyance of the leasehold interest in the Phase IIIB-Development Site as set forth in Section 26.1, the Master Developer intends to continue the rest of the construction of the Phase IIIB-Horizontal Component.

(a) Approvals. The Master Developer shall have provided all necessary information and documentation necessary for City, Agency and Authority review of the Phase IIIB-Development under CEQA, and all necessary CEQA approvals shall have been obtained. The Authority acknowledges that the provisions of this Section 26.3 have been met by the Master Developer.

(b) HUD shall have approved the Phase IIIB-Ground Lease.

Section 26.3 Phase IIIB-Schedule of Performance. The Master Developer shall have complied with the Phase IIIB-Schedule of Performance attached to this Agreement as Exhibit N.

(a) Phase IIIB-Horizontal Financing Plans and Financial Commitments. Phase IIIB-Horizontal Financing Plan. The initial Financing Plan for the Phase IIIB-Horizontal Component is attached hereto as Exhibit M.

(b) Approvals. The Master Developer shall have submitted to the Authority for approval any revisions to the Phase IIIB-Horizontal Financing Plan for the Phase IIIB-Horizontal Component and, by the time set forth in the Phase IIIB-Schedule of Performance any and all commitments for financing necessary to undertake the construction of the Phase IIIB-Horizontal Component. The Master Developer shall further submit to the Authority for approval by the Authority copies of any documents proposed to be entered by the Master Developer with respect to any subsidies and loan agreements and all other documents which the Master Developer and its proposed construction lender(s) propose to execute in connection with such financing for the Development.

Section 26.4 Phase IIIB-Scope of Development.The Master Developer will have prepared, or will have seen to the preparation of, a Phase IIIB-Scope of Development (the "Phase IIIB-Scope of Development") situated within the Phase IIIB-Development Site, and consistent with the other Exhibits attached hereto, the Phase IIIB-Development shall consist of the development and construction of approximately two hundred thirty (230) housing units, which may be for market-rate rental housing or for market-rate for sale housing. The Parties acknowledge and agree that of the Phase IIIB-Development, shall, subject to HUD approval (as applicable), be conveyed to the Master Developer or the Master Developer's assignee in fee. The Parties acknowledge that the Master Developer is still in the preliminary stages in the development and construction of the Phase IIIB-Development and further refinement of the Phase IIIB-Scope of Development is expected.

Section 26.5 Phase IIIB-Horizontal Construction Documents.The Master Developer will have prepared, or will have seen to the preparation of, construction plans, budgets, schedules and a construction contract as provided in Article 28 (the "Phase IIIB-Horizontal Construction Documents") and will diligently perform all obligations described in that Article. The Phase IIIB-Horizontal Construction Documents shall be subject to the review and approval of the Authority. The Master Developer will make best efforts to minimize development costs, consistent with long-term efficient operation and upkeep, marketability, and contribution to family and neighborhood quality of life.

Section 26.6 Permits and Approvals. The Master Developer shall have obtained all permits, licenses, easements, zoning and approvals necessary for the Phase IIIB-Horizontal Component, including necessary utilities, and roads, transportation, and other facilities or physical improvements contemplated by the Project Plan and Phase IIIB-Horizontal Construction Documents. The Master Developer shall, on an ongoing and timely basis, advise the Authority as to the status of the processing of all applications required to obtain all governmental approvals required in accordance with this Agreement, applicable HUD approvals and requirements, and the Phase IIIB-Horizontal Construction Documents. The Master Developer shall advise the Authority of any hearings regarding matters described in this section with sufficient advance notice to enable the Authority to elect to attend such hearings.

Section 26.7 Close of Phase IIIB-Horizontal Construction Financing. No later than the date set forth in the Phase IIIB-Schedule of Performance, the Master Developer shall submit to the Authority evidence reasonably satisfactory to the Authority that any conditions to release or expend funds described in the approved Phase IIIB-Horizontal Financing Plan for the purpose of constructing the Phase IIIB-Horizontal Component have been met precedent to the Authority's obligation to convey the Phase IIIB-Development Site to the Master Developer. No application for financing will contain representations or commitments inconsistent with the Project Plan, unless with the written approval of the Authority (and the Parties' agreement to amend the Project Plan if such application is accepted).

ARTICLE 27.

PHASE IIIB-DISPOSITION AND DEVELOPMENT AGREEMENT

Section 27.1 Phase IIIB-Disposition and Development Agreement. By the time indicated in the Phase IIIB-Schedule of Performance, the Authority intends to enter into a disposition and development agreement to sell the Phase IIIB-Development Site to the Master Developer or its assignee at the fair market price of the Phase IIIB-Development Site, the terms and conditions of which shall be negotiated between the Parties (the "Phase IIIB-Disposition and Development Agreement"). The Parties acknowledge that HUD's approval of the Phase IIIB-Disposition and Development Agreement is required before the Parties may execute the Phase IIIB-Disposition and Development Agreement. Upon the execution of the Phase IIIB-Disposition and Development Agreement, the Phase IIIB-Initial Ground Lease will terminate. The Phase IIIB-Disposition and Development Agreement will govern the construction of the Market Rate Component on the Phase IIIB-Development Site.

ARTICLE 28.

PHASE IIIB-HORIZONTAL COMPONENT DESIGN

Section 28.1 Design in Conformance with Phase IIIB-Horizontal Schematic Design. In designing and constructing the Phase IIIB-Horizontal Component, the Master Developer shall cause all subsequent design documents to be consistent with the Phase IIIB-Scope of Development as it pertains to the Phase IIIB-Horizontal Component and the Phase IIIB-Horizontal Schematic Design, attached as Exhibit O, approved by the Authority. The Phase IIIB-Scope of Development and the Phase IIIB-Horizontal Schematic Design shall establish the

baseline design standards from which the Master Developer shall prepare all subsequent Phase IIIB-Horizontal Design Documents.

Section 28.2 Phase IIIB-Horizontal Design Documents. The Master Developer shall cause its architect to proceed diligently to prepare design development and construction documents for the proposed Phase IIIB-Horizontal Component, consistent with the Phase IIIB-Scope of Development and the Phase IIIB-Horizontal Schematic Design, including, without limitation, such drawings as may reasonably be required to show the location, bulk, height and other principal external features of the proposed Phase IIIB-Horizontal Component. In connection with its submittal to the Authority for its approval, the Master Developer shall provide to the Authority such elevations, sections, plot plans, specifications, diagrams and other design documents ("Phase IIIB-Horizontal Design Documents") at each of the stages described in Section 28.3 as may reasonably be required by the Authority for its review. The Phase IIIB-Horizontal Design Documents shall incorporate any conditions imposed by the City's entitlements process.

Section 28.3 Submittal and Review of Phase IIIB-Horizontal Design Documents. Within the times set forth in the Phase IIIB-Schedule of Performance, the Master Developer shall submit to the Authority the Phase IIIB-Horizontal Design Documents in the following stages:

(a) Phase IIIB-Horizontal Design Drawings. The Phase IIIB-Horizontal Design Drawings shall be based on the Phase IIIB-Horizontal Schematic Design and the Phase IIIB-Scope of Development. The Phase IIIB-Horizontal Design Drawings shall indicate estimated structural dimensions, and delineation of site features and elevations, materials and colors, landscaping and other features.

(b) Phase IIIB-Horizontal Final Construction Drawings. Phase IIIB-Horizontal Final Construction Drawings are to be a continuation of approved Phase IIIB-Horizontal Design Drawings. The Phase IIIB-Horizontal Final Construction Drawings must provide all the detailed information necessary to obtain a building permit. The Phase IIIB-Horizontal Final Construction Drawings shall allow for the Master Developer to obtain a building permit to build the Phase IIIB-Development. The Master Developer shall provide material samples upon the reasonable request of the Authority.

Section 28.4 Project Approvals. Within the times set forth in the Phase IIIB-Schedule of Performance, the Authority shall have the right to review and approve the Phase IIIB-Horizontal Design Documents. The purpose of the Authority's review of the Phase IIIB-Horizontal Design Documents is to ensure consistency with the Phase IIIB-Horizontal Schematic Design and the provisions of this Agreement. Provided that the architectural submittals meet the requirements set forth in Section 28.1, the Authority shall be required to approve those Phase IIIB-Horizontal Design Documents which are logical progressions from concepts set forth in previously approved Phase IIIB-Horizontal Design Documents. For purposes of this Article 28, "approval" means approval of the Authority Executive Director or the Authority Executive Director's designee.

Section 28.5 New Material Concerns. If the Authority determines that there are material changes which are not logical progressions from previously approved Phase IIIB-Horizontal Design Documents or which raise material concerns that were not reviewable in previously approved Phase IIIB-Horizontal Design Documents, in approving or disapproving such Phase IIIB-Horizontal Design Documents, the Authority shall act in its reasonable discretion.

Section 28.6 No Change in Phase IIIB-Horizontal Design Documents. Once the Authority has approved Phase IIIB-Horizontal Final Construction Drawings, the Master Developer shall not make any changes in those documents which would materially impact the matters set forth in Section 28.4 without the prior written approval of the Authority, acting in its reasonable discretion and within the time periods set out in Section 38.4; provided, however, that after the commencement of construction, any document submitted to the Authority for its approval shall be deemed approved if not reasonably disapproved within ten (10) days following receipt by the Authority.

Section 28.7 Submittal and Review of Phase IIIB-Horizontal Construction Contract. Within the times set forth in the Phase IIIB-Schedule of Performance, the Master Developer shall submit to the Authority for its approval the proposed construction contract and other Phase IIIB-Horizontal Construction Documents for the Phase IIIB-Horizontal Component.

Section 28.8 Additional Permits and Approvals. Within the times specified in the Phase IIIB-Schedule of Performance, the Master Developer shall obtain all permits and approvals necessary to construct the Phase IIIB-Horizontal Component including demolition and building permits. All applications for such permits and approvals shall be consistent with the approved Phase IIIB-Horizontal Design Documents. The Master Developer shall not obtain a building permit until the Authority has approved the Phase IIIB-Horizontal Final Construction Drawings. The Master Developer acknowledges that execution of this Agreement by the Authority does not constitute approval by the City of any required permits, applications, or allocations, and in no way limits the discretion of the City in the permit, application and approval process.

Section 28.9 Authority Review. The Master Developer shall be solely responsible for all aspects of the Master Developer's conduct in connection with the Phase IIIB-Horizontal Component, including, but not limited to, the quality and suitability of the Phase IIIB-Horizontal Design Documents, the supervision of construction work, and the qualifications, financial condition, and performance of all architects, engineers, contractors, subcontractors, suppliers, consultants, and property managers. Any review or inspection undertaken by the Authority with reference to the Phase IIIB-Horizontal Component is solely for the purpose of determining whether the Authority is properly discharging its obligations to the Authority, and should not be relied upon by the Authority or by any third parties as a warranty or representation by the Authority as to the quality of the design or construction of the Phase IIIB-Development, or the Phase IIIB-Horizontal Component.

ARTICLE 29.
PHASE IIIB-HORIZONTAL COMPONENT CONSTRUCTION

Section 29.1 Commencement of Phase IIIB-Horizontal Component Construction. The Master Developer shall commence or cause to be commenced construction of the Phase IIIB-Horizontal Component in accordance with the Phase IIIB-Schedule of Performance.

Section 29.2 Completion of Phase IIIB-Horizontal Component Construction. The Master Developer shall diligently prosecute or cause to be prosecuted to completion the construction of the Phase IIIB-Horizontal Component, and shall complete or cause to be completed the construction of the Phase IIIB-Horizontal Component no later than the time specified in the Phase IIIB-Schedule of Performance. Upon completion of the Phase IIIB-Horizontal Component, and subject to the acceptance thereof by the City, the Master Developer will convey all of the Infrastructure Improvements that are public improvements to the City, pursuant to the Subdivision Map. Concurrently with such conveyance, the Authority will convey to the City the fee interest in the applicable portion of the Phase IIIB-Development Site. Upon such conveyance, the Authority and the Master Developer shall terminate the Phase IIIB-Ground Lease with respect to the Phase IIIB-Development Site related to such public improvements.

Section 29.3 Phase IIIB-Horizontal Component Construction Pursuant to Plans.

(a) The Master Developer shall construct or cause to be constructed the Phase IIIB-Horizontal Component substantially in accordance with the Phase IIIB-Horizontal Final Construction Drawings and the terms and conditions of all City and other governmental approvals.

(b) The Master Developer shall submit or cause to be submitted for Authority approval any proposed change in the Phase IIIB-Horizontal Final Construction Drawings which materially changes the size, location or elevation of the Phase IIIB-Horizontal Component or which would require an amendment to any approval or permits obtained from the City or other governmental agencies. The process for approving or disapproving change orders shall be negotiated further by the Authority and the Master Developer before the closing of the construction loans.

(c) No change which is required for compliance with building codes or other laws, codes or regulation shall be deemed material. However, the Master Developer must submit or cause to be submitted to the Authority, in writing, any change that is required for such compliance within ten (10) days after making such change, and such change shall become a part of the approved Phase IIIB-Horizontal Final Construction Drawings, binding on the Master Developer.

Section 29.4 Phase IIIB-Horizontal Construction Bonds. The Master Developer shall require its contractor to procure and deliver to the Authority copies of labor and material (payment) bonds and performance bonds, or a dual bond which covers both payment and performance obligations, in a penal sum each of not less than one hundred percent (100%) of the scheduled cost of construction of the Phase IIIB-Horizontal Component, and one hundred percent (100%) payment bond. Said bonds shall be issued by a surety that is authorized to issue

bonds in the State of California and is named in the current list of "Surety Companies acceptable on Federal Bonds" as published in Circular 570 by the U.S. Treasury Department, Financial Management Service, and that the amount of the bond is within the limit set by the Treasury Department as the net limit on any single risk. The labor and materials (payment) bond should name both the Authority and the City as a co-obligee or assignee.

Section 29.5 Compliance with Applicable Law. The Master Developer shall cause all work performed in connection with the Phase IIIB-Horizontal Component to be performed in compliance with: (a) all applicable laws, ordinances, rules and regulations of federal, state, county or municipal governments or agencies now in force or that may be enacted hereafter, (including, without limitation, the federal Davis-Bacon Act); and (b) all directions, rules and regulations of any fire marshal, health officer, building inspector, or other officer of every governmental agency now having or hereafter acquiring jurisdiction. The work shall proceed only after procurement of each permit, license, or other authorization that may be required by any governmental agency having jurisdiction, and the Master Developer shall be responsible to the Authority for the procurement and maintenance thereof, as may be required of the Master Developer and all entities engaged in work on the Phase IIIB-Development Site.

Section 29.6 Insurance. The Master Developer shall maintain and keep in full force and effect, and shall cause all of its Contractors to maintain and keep in full force and effect, during the term of this Agreement, such insurance as is set forth in the Phase IIIB-Ground Lease.

Section 29.7 Non-Discrimination During Construction, Equal Opportunity. The Master Developer, for itself and its successors and assigns, and transferees agrees that in the construction of the Phase IIIB-Development Site provided for in this Agreement:

(a) It will not discriminate against any employee or applicant for employment because of race, color, religion, creed, national origin, ancestry, disability, medical condition, age, marital status, sex, sexual preference/orientation, Acquired Immune Deficiency Syndrome (AIDS) acquired or perceived, or retaliation for having filed a discrimination complaint (nondiscrimination factors). The Master Developer will take affirmative action to ensure that applicants are considered for employment by the Master Developer without regard to the nondiscrimination factors, and that the Master Developer's employees are treated without regard to the nondiscrimination factors during employment including, but not limited to, activities of: upgrading, demotion or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Master Developer agrees to post in conspicuous places, available to its employees and applicants for employment, the applicable nondiscrimination clause set forth herein:

(b) It will ensure that its solicitations or advertisements for employment are in compliance with the aforementioned nondiscrimination factors; and

(c) It will cause the foregoing provisions to be inserted in all contracts for the construction of the Phase IIIB-Development entered into after the Effective Date of this Agreement; provided, however, that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

Section 29.8 Equal Opportunity/Non-Discrimination in Employment and Contracting Procedures, Including Utilization of Minority and Women Businesses. The Master Developer and the Authority acknowledge and agree that it is the policy of the Authority to promote and ensure equal opportunity through employment and in the award of contracts and subcontracts for construction. Subject to the foregoing, the Master Developer shall employ or select employees, contractors and subcontractors in accordance with the MOU.

(a) During the construction of the Phase IIIB-Horizontal Component, the Master Developer shall provide to the Authority such information and documentation as reasonably requested by the Authority.

(b) The Master Developer shall use reasonable efforts to monitor and enforce, or shall cause its general contractor to monitor and enforce, the equal opportunity requirements imposed by this Agreement. In the event, after notice from the Authority and an opportunity to cure such failure as set forth in Article 33 of this Agreement, the Master Developer fails to use reasonable efforts to monitor or enforce these requirements, the Authority may declare the Master Developer in default of this Agreement and pursue any of the remedies available under this Agreement.

Section 29.9 Prevailing Wages. In the construction of the Phase IIIB-Horizontal Component, for all on-site and adjacent construction activities, the Master Developer shall pay and assure that all contractors and subcontractors pay an amount no less than the general prevailing rate of per diem wages, as determined by the U.S. Labor Department pursuant to the federal Davis-Bacon Act and implementing rules and regulations, and the prevailing wage provisions of Sections 1720 et seq. of the California Labor Code and implementing rules and regulations. The Master Developer shall comply with all applicable reporting and recordkeeping requirements of applicable prevailing wage statutes and regulations.

Section 29.10 Progress Reports. Until the notice of completion is filed, the Master Developer shall provide the Authority with periodic progress reports, as reasonably requested in writing by the Authority, regarding the status of the construction of the Phase IIIB-Horizontal Component.

Section 29.11 Entry by the Authority. The Master Developer shall permit the Authority, through its officers, agents, or employees, to enter the Phase IIIB-Development Site at all reasonable times and in a safe, unobtrusive manner to review the work of construction to determine that such work is in conformity with the approved Phase IIIB-Horizontal Final Construction Drawings or to inspect the Phase IIIB-Horizontal Component for compliance with this Agreement. The Authority is under no obligation to: (a) supervise construction; (b) inspect the Property; or (c) inform the Master Developer of information obtained by the Authority during any review or inspection, and the Master Developer shall not rely upon the Authority for any supervision, inspection, or information.

Section 29.12 Taxes. At all times both prior to and after obtaining any applicable property tax exemptions, the Master Developer shall pay when due all real property taxes and assessments assessed and levied on the Phase IIIB-Development Site after the Master Developer takes title to the Phase IIIB-Development Site or portions thereof, and shall remove any levy or

attachment made on the Phase IIIB-Development Site. The Master Developer may, however, contest the validity or amount of any tax, assessment, levy, attachment or lien on the Phase IIIB-Development Site.

ARTICLE 30.
INTENTIONALLY OMITTED

ARTICLE 31.
INTENTIONALLY OMITTED

ARTICLE 32.
INTENTIONALLY OMITTED

ARTICLE 33.
PHASE IIIB – TERMINATION FOR CAUSE

Section 33.1 Events of Default by the Phase IIIB-Developer. The following shall constitute an Event of Default by the Phase IIIB-Developer:

(a) Subject to Section 33.1(c), (i) if the Phase IIIB-Developer shall fail to complete any part of the Phase IIIB-Development within the time set forth in the Phase IIIB-Schedule of Performance or any other development schedule adopted pursuant to this Agreement; or (ii) if the Phase IIIB-Developer shall materially breach or fail to diligently pursue its obligations under this Agreement or any other agreement between the Authority and the Master Developer or its Affiliates.

(b) Subject to Section 33.1(c), if the Phase IIIB-Developer or an Affiliate participating in this Revitalization: (i) is or becomes insolvent or bankrupt or otherwise ceases to pay its debts as they mature or makes any arrangement with or for the benefit of its creditors or consents to or acquiesces in the appointment of a receiver, trustee or liquidator for the Phase IIIB-Development or for any substantial part of it; (ii) institutes any bankruptcy, winding up, reorganization, insolvency, arrangement or similar proceeding under the laws of any jurisdiction, or any such proceeding is instituted against the Master Developer in any jurisdiction which is not stayed or dismissed within ninety (90) days after its institution; (iii) files any action or answer admitting, approving or consenting to any such proceeding; (iv) becomes subject to levy of any distress, execution or attachment upon its property which interferes with its performance hereunder, and the Phase IIIB-Developer or Affiliate fails within thirty (30) days to discharge such levy, execution or attachment, or to substitute another entity (whether or not an Affiliate) acceptable to the Authority to perform the obligations of the Master Developer or Affiliate without material delay in performance provided, however, that the foregoing shall not continue to be an Event of Default if the Phase IIIB-Developer commences to cure such failure within

(30) days and thereafter diligently prosecutes the cure thereof, and causes such failure to be cured within sixty (60) days; or (v) is convicted of any criminal offense or violation of law.

(c) It shall not be an Event of Default if the delay in completing the work arises from the failure to occur of any Development Contingency as hereinafter defined or from unforeseeable causes beyond the control and without the fault or negligence of the Master Developer and materially interferes with the work. Examples of such causes shall include without limitation: (i) acts of God, or of the public enemy; (ii) court order, acts, delays, failure or refusal to act on the part of a governmental entity in either its sovereign or contractual capacity; (iii) acts of a contractor other than Master Developer, or subcontractor, in the performance of an agreement with the Authority (and not pursuant to a contract with the Master Developer); (iv) riots, war or acts of terrorism; (v) fires; (vi) floods or earthquakes; (vii) epidemics; (viii) quarantine restrictions; (ix) strikes or lockouts; (x) freight embargoes; (xi) litigation; (xii) non-issuance of permits; (xiii) lack of City approvals; (xiv) lack of HUD approval (xv) unusually severe weather; (xvi) the presence of hazardous materials or archeological finds on the Property; or (xvii) delays of subcontractors or suppliers at any tier arising from unforeseeable causes.

(d) It shall not be an Event of Default if the delay in completing the work arises from a Development Contingency, and the Authority determines in its judgment that the Master Developer exercised its best efforts in attempting to secure the occurrence of the Development Contingency.

Section 33.2 Events of Default by the Authority.

(a) It shall be an Event of Default by the Authority if the Authority shall fail to diligently perform its obligations under this Agreement and such failure materially impairs the ability of the Master Developer to accomplish the Phase IIIB-Development within the time required by the Phase IIIB-Schedule of Performance or otherwise perform its material obligations hereunder.

(b) It shall not be an Event of Default if any failure by Authority arises from the failure to occur of any Development Contingency as hereinafter defined or of unforeseeable causes beyond the control and without the fault or negligence of Authority. Examples of such causes shall include without limitation: (i) acts of God, or of the public enemy; (ii) court order, acts, refusal, delay or fail to act on the part of a governmental entity (other than the Authority) in either its sovereign or contractual capacity; (iii) acts of another contractor or subcontractor in the performance of an agreement with the Authority (and not pursuant to a contract with the Authority or an affiliate of Authority); (iv) riots, war or acts of terrorism; (v) fires; (vi) floods or earthquakes; (vii) epidemics; (viii) quarantine restrictions; (ix) strikes or lockouts; (x) freight embargoes; (xi) litigation; (xii) non-issuance of permits; (xiii) lack of HUD approval; (xiv) unusually severe weather; (xv) the presence of hazardous materials of archeological finds on the Property; or (xvi) delays of subcontractors or suppliers at any tier arising from unforeseeable causes.

Section 33.3 Procedure for Termination for Cause. Upon the occurrence of an Event of Default by either the Authority or the Master Developer, the other party shall have the right to

notify the defaulting party in writing of such Event of Default, whereupon the defaulting party shall have sixty (60) days from its receipt of such notice to cure such Event of Default (or such longer period as may be reasonably necessary to commence to cure the Event of Default, provided such defaulting party is diligently proceeding to cure such default). If the defaulting party shall fail to cure the default within the time provided in such notice, the non-defaulting party may, by written notice, terminate this Agreement and pursue such other remedies as may be available at law or equity. If the defaulting party is the Authority, in the absence of wrongful intent by the Authority, the Master Developer shall not be entitled to any remedy greater than it would be entitled to under a Termination for Convenience.

Section 33.4 Continuing Obligations. In no event shall a termination of this Agreement impair or delay the performance by the Authority or the Master Developer of their obligations under any of the other Authority Closing Documents.

Section 33.5 Phase IIIB-Construction Plans. If this Agreement is terminated pursuant to Section 33.1, the Master Developer, at the request of the Authority, shall deliver to the Authority copies of any construction plans in the Master Developer's possession or to which the Master Developer is entitled for development of the Phase IIIB-Development.

ARTICLE 34. PHASE IIIB – TERMINATION WITHOUT FAULT

Section 34.1 Phase IIIB-Development Contingencies. The Parties agree that the following matters are conditions precedent to the Authority's and the Master Developer's ability to proceed with the Phase IIIB-Development and to fulfill the terms and conditions of this Agreement ("Phase IIIB-Development Contingencies"). Notwithstanding that the Master Developer and Authority shall use best efforts to comply with the Phase IIIB-Schedule of Performance, the Phase IIIB-Development Contingencies (with regard to which the Agreement may be terminated as provided below) are as follows:

- (a) The receipt of all necessary government approvals and permits including HUD, including without limitation the Authority's approval of the Phase IIIB-Development after the completion of all required environmental review;
- (b) The determination by the Authority and the Master Developer that any Preconstruction Activities required under Article 2 of this Agreement are not so expensive as to make the Phase IIIB-Development financially infeasible.
- (c) Satisfaction of all conditions set forth in Article 26.

Section 34.2 Revision or Termination. In the event a Phase IIIB-Development Contingency does not occur, so long as the Phase IIIB-Developer is in full compliance with this Agreement and has used its best efforts to cause it to occur, in a manner generally consistent with the Project Plan, the Parties will attempt to revise this Agreement in a mutually acceptable fashion by extending deadlines, revising goals, or otherwise. If the Parties cannot, within sixty (60) days after either party provides the other with notice that a Phase IIIB-Development

Contingency has not occurred, agree to amend this Agreement, then either party may terminate this Agreement as to the Phase IIB-Development only, by delivering written notice to the other party.

Section 34.3 No Liability. In the event that either party terminates this Agreement as provided in this Article 34, neither party shall have any liability to the other except under any separate contracts entered pursuant to this Agreement and except for continuing indemnities provided elsewhere in this Agreement.

ARTICLE 35. INTENTIONALLY OMITTED

ARTICLE 36. NON-DISCRIMINATION AND OTHER FEDERAL AND STATE REQUIREMENTS

Section 36.1 Certain Requirements. The Master Developer will comply with all applicable state and federal laws, rules and regulations, including but not limited to the requirements of the following, as the same may be amended from time to time:

(a) The Fair Housing Act, 42 U.S.C. 3601-19, and regulations issued there under, 24 CFR Part 100; Executive Order 11063 (Equal Opportunity in Housing) and regulations issued there under, 24 CFR Part 107; the fair housing poster regulations, 24 CFR Part 110, and advertising guidelines, 24 CFR Part 109.

(b) Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, and regulations issued there under relating to nondiscrimination in housing, 24 CFR Part 1.

(c) Age Discrimination Act of 1975, 42 U.S.C. 6101-07, and regulations issued there under, 24 CFR Part 146.

(d) Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794, and regulations issued there under, 24 CFR Part 8; the Americans with Disabilities Act, 42 U.S.C. 12181-89, and regulations issued there under, 28 CFR Part 36.

(e) Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u, and its implementing regulations at 24 CFR Part 135.

Section 36.2 Access to Records.

(a) Recordkeeping; Access. The Master Developer's books and records pertaining to its performance under this Agreement shall be kept in accordance with generally accepted accounting principles and as required by the Applicable Requirements, and shall be retained for at least three (3) years after the Authority makes final payment to the Master Developer under this Agreement and all other pending matters are closed. The Master Developer agrees to grant a right of access to the Authority, HUD, any agency providing funds to Authority, the Comptroller General of the United States, and any of their authorized

representatives, with respect to any books, documents, papers, or other records pertinent to this Agreement in order to make audits, examinations, excerpts, and transcripts, during normal business hours upon reasonable notice.

(b) Audit. Authority, HUD, any agency providing funds to Authority, the Comptroller General of the United States, or any of their duly authorized representatives, shall have the right to perform any audit of Master Developer's finances and records related to its performance under this Agreement, including without limitation, the financial arrangement with anyone Master Developer may delegate to discharge any part of its obligations under this Agreement.

(c) Contractors. Master Developer agrees to ensure that the recordkeeping, access, audit and reporting requirements set forth in this Article 36 are also made legally binding upon any contractor or subcontractor that receives funds derived from the Authority in connection with the Phase III-Development.

(d) The period of access and examination of the records under this Section 36.2 relating to (1) litigation or settlements of disputes arising from the performance of this Agreement, or (2) costs and expenses of this Agreement to which the Authority, HUD or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

Section 36.3 Interest of Members of Congress. No Member of or delegate to the Congress of the United States shall be admitted to any share or part of this Agreement or to any benefit to arise there from.

Section 36.4 Interest of Member, Officer, or Employee and Former Member, Officer, or Employee of Authority. No member, officer, or employee of the Authority, no member of the governing body of the locality in which the Phase III-Development is situated, no member of the governing body by which the Authority was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the Development, shall, during his or her tenure, or for one (1) year thereafter or such longer time as the Authority's Code of Ethics may require, have any interest, direct or indirect, in this Agreement or the proceeds thereof, unless the conflict of interest is waived by the Authority and by HUD.

Section 36.5 Master Developer Conflict of Interest. Master Developer covenants that neither it nor any of its directors, officers, partners or employees has any interest, nor shall acquire any interest, directly or indirectly, which would conflict in any manner or degree with the performance of the services hereunder. Master Developer further covenants that in the performance of this Agreement, no person having such interest shall be employed by it. Notwithstanding the foregoing, nothing herein shall prevent Master Developer or any of its members or affiliates from (1) engaging in or managing other development projects in the San Francisco area or elsewhere, which shall include without limitation the management thereof, or (2) competing for or undertaking any other similar development in any other city.

Section 36.6 Lobbying Activities. The Master Developer shall comply with 31 USC § 1352 which prohibits the use of Federal appropriated funds to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract; the making of any Federal grant; the making of any Federal loan; the entering into of any cooperative agreement; or the modification of any Federal contract, loan, or cooperative agreement. The Master Developer further agrees to comply with the requirement of such legislation to furnish a disclosure (OMB Standard Form LLL) if any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with a Federal contract, grant, loan, or cooperative agreement, which payment would be prohibited if made from Federal appropriated funds.

ARTICLE 37. ROLE OF HUD

Section 37.1 HUD Approval. The Parties hereto acknowledge that this Agreement, the conveyance of the Phase IIIA-Development Site and the Phase IIIB-Development Site, and the consummation of the transactions contemplated by this Agreement are subject to HUD approval. Master Developer and the Authority agree to cooperate to obtain all necessary HUD approvals and acknowledge that HUD approvals must be obtained as a condition precedent to certain obligations contained herein. Nothing herein shall be understood to authorize or obligate the Authority or Master Developer to act in the absence of required HUD approvals, and the Parties acknowledge that HUD's approval of this Agreement will not constitute approval of particular transactions which by their nature require specific HUD approval following a submission of particulars.

Section 37.2 Transfer Not An Assignment. The Authority and Master Developer acknowledge that any transfer of HUD grant funds by the Authority to Developer shall not be or be deemed to be an assignment of grant funds, and Developer shall not succeed to any rights or benefits of the Authority under the HUD Funds Agreement, or attain any privileges, authorities, interests, or rights in or under the HUD Funds Agreement.

Section 37.3 Disclaimer of Relationships. Nothing contained in the [ACC], the HUD Funds Agreement or this Agreement nor any act of HUD or the Authority, shall be deemed or construed to create any relationship of third-party beneficiary, principal and agent, limited or general partnership, joint venture, or any association or relationship involving HUD, except between HUD and the Authority as provided under the terms of the [ACC] or HUD Funds Agreement, as appropriate.

Section 37.4 Applicability to Other Contracts. Master Developer agrees to ensure that Sections 37.2 and 37.3 of this Article 37 are inserted into any contract or subcontract involving the use of HUD funds in connection with the Phase III-Development.

ARTICLE 38.
MISCELLANEOUS

Section 38.1 Term. This Agreement shall commence with the execution hereof and shall terminate upon the Phase IIIA-Third Closing as to the Phase IIIA-Development, and upon the commencement of construction of the Phase IIIB-Vertical Component as to the Phase IIIB-Development, except for the general and environmental indemnification provisions incorporated in this Agreement, unless sooner terminated in accordance with provisions herein.

Section 38.2 No Liens. Without the prior written consent of the Authority and HUD, the Master Developer shall not place a lien or other encumbrance on the Phase IIIA-Development or the Phase IIIB-Development, nor pledge the Phase IIIA-Development or Phase IIIB-Development as collateral for any debts or financing.

Section 38.3 Decision Standards.

(a) In any approval, consent or other determination by any party required under this Agreement, the party shall act reasonably and in good faith, unless a different standard is explicitly stated.

(b) "Good faith" shall mean honesty in fact in the conduct or transaction concerned based on the facts and circumstances actually known to the individual(s) acting for the party.

(c) "Discretion," "sole discretion," "option," "election" or words of similar import in this Agreement denote the party's privilege to act in furtherance of the party's interest.

(d) "Judgment" denotes a subjective standard obligating the party to use good faith in forming its professional opinion or estimate.

(e) "Reasonable judgment" denotes an objective standard obligating the party in good faith to act in a manner which is consistent with usual and customary practices of entities similarly situated, and not arbitrarily or capriciously.

Section 38.4 Approval Process. After the Master Developer submits to the Authority for approval any item provided for in this Agreement, the Authority shall have ten (10) days following the submission to approve or disapprove such submission. If rejected by the Authority in whole or in part, the Authority shall provide the Master Developer with reasons for the rejection, either orally or in writing. The Master Developer shall then submit modified documents to the Authority within ten (10) days. The Authority shall then have ten (10) days to review and approve or disapprove the modified submission, and shall provide the Master Developer with reasons for any disapproval. If, by the end of the Authority's period of review, the Master Developer does not receive the written approval of the Authority, and has not received any reason for a disapproval, the Master Developer must provide the Authority with written notice pursuant to Section 38.5 that the Authority will be deemed to have approved the submission unless the Authority approves or disapproves the submission within five (5) days.

The Master Developer and the Authority may repeat the foregoing process and time periods if both parties shall so agree in writing.

Section 38.5 Notices. Any notice or other communication given or made pursuant to this Agreement shall be in writing and shall be deemed given if (i) delivered personally or by courier, (ii) telecopied, (iii) sent by overnight express delivery, or (iv) mailed by registered or certified mail (return receipt requested), postage prepaid, to a party at its respective address set forth below (or at such other address as shall be specified by the party by like notice given to the other party):

If to Authority, to: San Francisco Housing Authority
1815 Egbert Avenue
San Francisco, CA 94124
Attention: Tonia Lediju, PhD, Acting Executive Director

and a copy to: Goldfarb & Lipman
1300 Clay Street, 11th Floor
City Center Plaza
Oakland, CA 94612
Attention: Dianne Jackson McLean, Esq.

If to Master Developer, to: Hunters View Associates, L.P.
c/o The John Stewart Company
1388 Sutter Street, 11th Floor
San Francisco, CA 94109
Attention: Jack D. Gardner, President and CEO

and a copy to: Hunters Point Affordable Housing, Inc.
140 Cashmere Street
San Francisco, CA 94124
Attention: Regina Coleman, President

and to: Devine & Gong, Inc.
101 Montgomery Street, Suite 1350
San Francisco, CA 94104
Attention: Chan U Lee, President

and to: Lubin Olson & Niewiadomski LLP
The Transamerica Pyramid
600 Montgomery St., 14th Floor
San Francisco, CA 94111-2716
Attention: Charles Olson, Esq.

and a copy to HUD: U.S. Department of Housing and Urban Development
Office of Public Housing Investments
451 Seventh Street, S.W., 4th Floor
Washington, D.C. 20410

Section 38.6 Representatives. To facilitate communication, the parties to this Agreement shall designate a representative with responsibility for the routine administration of each party's obligations under this Agreement. The Parties initially appoint the following as representatives:

Authority: Tonia Lediju, PhD

Master Developer: Jack D. Gardner

Section 38.7 Further Assurances. Each party shall execute such other and further documents as may be reasonably necessary or proper for the consummation of the transaction contemplated by this Agreement.

Section 38.8 Restrictions on Transfers and Assignments.

(a) As used in this Section, the term "Transfer" shall mean:

(1) Any total or partial sale, assignment or conveyance, or any trust or power, or any transfer in any other mode or form, of or with respect to this Agreement or any aspect of the Development or any part thereof or any interest therein or any contract or agreement to do any of the same; or

(2) Any total or partial sale, assignment or conveyance, or any trust or power, or any transfer in any other mode or form, of or with respect to any interest in the Master Developer, including, but not limited to, any transfer of the interest of a partner or a member of the Master Developer, or any contract or agreement to do any of the same; or

(3) Any merger, consolidation, sale or lease of all or substantially all of the assets of the Master Developer.

(b) Purpose of Restrictions on Transfer. The Master Developer recognizes that the qualifications and identity of the Master Developer, including Affiliates of the Master Developer, are of particular concern to the Authority, in view of:

(1) The importance of the Revitalization to the general welfare of the community;

(2) The financial assistance and other public aids that have been made available by law and by the government for the purpose of making such Revitalization possible;

(3) The reliance by the Authority upon the unique qualifications and ability of the Master Developer to serve as the catalyst for the Development and, after conveyance of the Property, upon the continuing interest which the Master Developer will have

in the Property to assure the quality of the use, operation and maintenance deemed critical by the Authority for the development;

(4) The fact that the Property is not to be acquired or used for speculation, but only for development and operation by the Master Developer in accordance with the Agreement;

(5) The importance to the Authority and the community of the standards of use, operation and maintenance of the Property.

The Master Developer further recognizes that it is because of such qualifications and identity that the Authority is entering into this Agreement with the Master Developer and that Transfers are permitted only as provided in this Agreement.

(c) Prohibited Transfers. Except as expressly permitted in this Agreement, the Master Developer represents and agrees that the Master Developer has not made or created, and will not make or create or suffer to be made or created, any Transfer, either voluntarily or by operation of law without the prior written approval of the Authority and HUD, if required pursuant to this Agreement. Any Transfer made in contravention of this Section 38.8 shall be void and shall be deemed to be a default under this Agreement whether or not the Master Developer knew of or participated in such Transfer unless such Transfer is rescinded by the Master Developer within thirty (30) days following written notice by the Authority to the Master Developer to rescind such Transfer.

Section 38.9 Transfers with Authority Consent. Subject to the prior written approval of HUD, the Authority may, in its sole discretion, approve in writing other Transfers as requested by the Master Developer. In connection with such request, there shall be submitted to the Authority for review all instruments and other legal documents proposed to affect any such Transfer. If a requested Transfer is approved by the Authority such approval shall be indicated to the Master Developer in writing. Such approval shall be granted or denied by the Authority within thirty (30) days of receipt by the Authority of the Master Developer's request for approval of a Transfer. Consent to Transfers requested by the Tax Credit Investor, such as the removal of a general partner for default under a limited partnership agreement, shall not be unreasonably withheld, and shall be provided for with respect to the Phase IIIA-Development or the Phase IIIB-Development in the documentation.

Section 38.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed original, but all of which, together, shall constitute one instrument.

Section 38.11 Interpretation and Governing Law. This Agreement shall not be construed against the party who prepared it but shall be construed as though prepared by both Parties. This Agreement shall be construed, interpreted, and governed by the laws of California without regard to the choice of law provisions thereof. The Parties acknowledge and agree that in the event of a conflict or inconsistency between the HUD Requirements and any requirement set forth in this Agreement, the HUD Requirements shall in all instances be controlling.

Section 38.12 Severability. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable such portion shall be deemed severed from this Agreement and the remaining parts shall continue in full force as though such invalid or unenforceable provision had not been part of this Agreement.

Section 38.13 Final Agreement. Unless otherwise provided herein, this Agreement constitutes the final understanding and agreement between the Parties with respect to the subject matter hereof and supersedes all prior negotiations, understandings and agreements between the Parties, whether written or oral. This Agreement may be amended, supplemented or changed only by a writing signed or authorized by or on behalf of the party to be bound thereby.

Section 38.14 Non-Recourse. No member, official, employee, agent, or consultant of the Authority or of any Affiliate of the Authority shall be personally liable to the Master Developer, or any successor in interest or person claiming by, through or under the Master Developer, in the event of any default or breach, or for or on account of any amount which may be or become due, or in any claim, cause or obligation whatsoever under the terms of this Agreement. No member, officer, director, shareholder (which is an individual), principal (which is an individual), employee, agent or consultant or member of the Master Developer or of any Affiliate of the Master Developer shall be personally liable to the Authority or any successor in interest or person claiming by, through or under the Authority, in the event of any default or breach, or for or on account of any amount which may be or become due, or in any claim, cause or obligation whatsoever under the terms of this Agreement.

Section 38.15 Master Developer Employees and Liabilities. It is understood that persons engaged or employed by the Master Developer as employees, agents, or independent contractors shall be engaged or employed by the Master Developer and not by the Authority. The Master Developer alone is responsible for their work, direction, compensation and personal conduct. Nothing included in any provision of this Agreement shall impose any liability or duty upon the Authority to persons, firms, or corporations employed or engaged by the Master Developer in any capacity whatsoever, or make the Authority liable to any such persons, firms, or corporations, or to any government, for the acts, omissions, liabilities, obligations, and taxes, of whatsoever nature, of the Master Developer or of its employees, agents, or independent contractors.

Section 38.16 Master Developer Not an Agent. Nothing in this Agreement shall be deemed to appoint the Master Developer as an agent for or representative of the Authority, and the Master Developer is not authorized to act on behalf of the Authority with respect to any matters except those specifically set forth in this Agreement. The Authority shall not have any liability or duty to any person, firm, corporation, or governmental body for any act of omission or commission, liability, or obligation of the Master Developer, whether arising from actions under this Agreement or otherwise.

Section 38.17 Waivers. The failure of either party to insist in any one or more cases upon the strict performance of any of the other party's obligations under this Agreement or to exercise any right or remedy herein contained shall not be construed as a waiver or a relinquishment for the future of such obligation, right or remedy. No waiver by either party of any provision of this

Agreement shall be deemed to have been made unless set forth in writing and signed by that party.

Section 38.18 Successors. The terms, covenants, agreements, provisions, and conditions contained herein shall bind and inure to the benefit of the Parties hereto, their successors and assigns.

Section 38.19 Headings; Exhibits. The headings in this Agreement are inserted for convenience only and shall not be used to define, limit or describe the scope of this Agreement or any of the obligations herein. All attachments that are labeled Exhibits are attached hereto and incorporated herein by reference thereto.

Section 38.20 Construction. Whenever in this Agreement a pronoun is used, it shall be construed to represent either the singular or the plural, either the masculine or the feminine, as the case shall demand.

Section 38.21 Cumulative Rights. Except as expressly limited by the terms of this Agreement, all rights, powers and privileges conferred hereunder shall be cumulative and not restrictive of those provided at law or in equity.

Section 38.22 Business Licenses. The Master Developer warrants that the Master Developer has a valid San Francisco City business license and all other licenses required by law.

Section 38.23 Time of Performance.

(a) Expiration. All performance dates (including cure dates) expire at 5:00 p.m., San Francisco, California time, on the performance or cure day, subject to subsection (b).

(b) Weekends and Holidays. A performance date which falls on a Saturday, Sunday or Authority holiday is deemed extended to the next working day.

(c) Days for Performance. All periods for performance specified in this Agreement in terms of days shall be calendar days, and not business days, unless otherwise expressly provided in this Agreement.

Section 38.24 Amendment. Neither this Agreement nor any of its terms may be terminated, amended or modified except by a written instrument executed by the Parties and the written approval of HUD.

Section 38.25 Attorneys' Fees. If either Party fails to perform any of its respective obligations under this Agreement or if any dispute arises between the Parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting Party or the Party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other Party on account of such default or in enforcing or establishing its rights under this Agreement, including, without limitation, court costs and reasonable attorneys' fees and costs. Any such attorneys' fees and costs incurred by either Party in enforcing a judgment in its favor under this Agreement shall be recoverable separately from and in addition to any other amount included in such judgment, and such attorneys' fees and costs obligation is intended to be

separate from the other provisions of this Agreement and to survive and not be merged into any such judgment.

Section 38.26 Recitals. The Recitals of the Agreement are expressly made a part of this Agreement and incorporated herein by this reference.

IN WITNESS WHEREOF, the Parties have duly executed this Disposition and Development Agreement by their duly authorized signatories effective on or as of the date written at the commencement of this Disposition and Development Agreement.

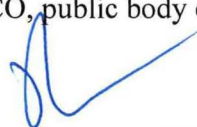
APPROVED AS TO FORM AND
LEGALITY:

Dianne Jackson McLean, Esq.
Goldfarb & Lipman LLP
Special Legal Counsel to Authority

AUTHORITY:

HOUSING AUTHORITY OF THE CITY OF AND COUNTY
OF SAN FRANCISCO, public body corporate and politic

By:



Tonia Lediju, PhD, Acting Executive Director

MASTER DEVELOPER:

HUNTERS VIEW ASSOCIATES, L.P., a California limited
partnership

By: JSCo HVA LLC, a California limited liability company,
its managing general partner

By: John Stewart Company, a California corporation,
its managing member

By:

Jack D. Gardner
President and CEO

By: Hunters Point Affordable Housing, Inc., a California
nonprofit public benefit corporation, its co-general
partner

By:

Regina Coleman
President

By: HV Mafanikio LLC, a California limited liability
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By: Devine & Gong, Inc., a California corporation, its
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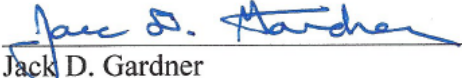
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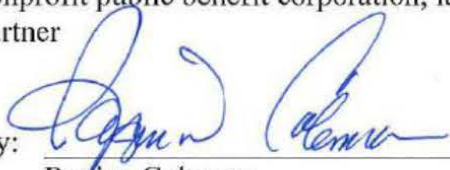
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By: Chan U Lee
Chan U Lee
President

EXHIBIT A

PROPERTY LEGAL DESCRIPTION

The land referred to herein is situated in the City and County of San Francisco State of California, and is described as follows:

Lot 10, as shown on Final Map No. 5461, filed for record in the Office of the Recorder of the City and County of San Francisco, State of California on December 23, 2010 in Book DD of Survey Maps, Pages 90 through 97, inclusive.

Assessor's Lot 032 (formerly Lot 003); Block 4624

EXHIBIT B-1

PHASE IIIA-DEVELOPMENT SITE DESCRIPTION

Phase IIIA(1)- Development Site Description

Phase IIIA(1) – Vertical Housing Component

Blocks 14 and 17, which are shown as Lots 3 and 4 on Final Map No. 9677.

Phase IIIA(2)-Development Site Description

Open Space and Bayview Park

Lots A and B on Final Map No. 9677.

Phase IIIA(3)- Development Site Description

Phase IIIA(3) – Horizontal Component

Public Right of Way/Infrastructure for Fairfax Avenue and Hunters View Drive, which are shown as Lots 8 and 9 on Final Map No. 9677.

Hunters View Phase III Land Use Plan

Phase	Site Plan Name	Final Map Reference	Square Footage/ Acreage	Description	Initially Ground Leased To	Ultimate Owner/Operator
Phase IIIA(1)	Block 14	Lot 3	23,862 sq. ft. .55 ac	Housing	HVP3	HVP3
	Block 17	Lot 4	39,307 sq. ft. .90 ac			
Phase IIIA(2)	Bayview Park	Lot A	31,135 sq. ft. .71 ac	Park	HVA	HVCA
	Open Space	Lot B	3,314 sq. ft. .08 ac	Open Space	HVA	HVCA
Phase IIIA(3)	Public Right of Way/ Infrastructure	Lot 9	53,881 sq. ft. 1.22 ac	Hunters View Drive	HVP3	DPW
	Public Right of Way/ Infrastructure	Lot 8	9801 sq. ft. .23 ac	Fairfax Avenue	HVP3	DPW
Phase IIIB	Block 12	Lot 1	26,904 sq. ft. .62 ac	For-Sale and/or Rental Housing	HVA	To Be Determined
	Block 13	Lot 2	42,012 sq. ft. .96 ac	For-Sale and/or Rental Housing		
	Block 15	Lot 7	40,369 sq. ft. .93 ac	For-Sale and/or Rental Housing		
	Block 16	Lot 6	38,823 sq. ft. .75 ac	For-Sale and/or Rental Housing		
	Block 18	Lot 5	22,845 sq. ft. .48 ac	For-Sale and/or Rental		

				Housing		
--	--	--	--	---------	--	--

HVA – Hunters View Associates
HVCA – HV Community Association. Inc.

HVP3 – HV Partners 3, LP
DPW – Department of Public Works

EXHIBIT B-2

PHASE III-MAP



B-2-1

EXHIBIT C

PHASE IIIB(1)-DEVELOPMENT SITE DESCRIPTION

Lots 1, 2, 5, 6, and 7 on Final Map No. 9677.

EXHIBIT D

ABATEMENT AND DEMOLITION WORK

1. Removal and disposal of any Hazardous Materials (as defined below) from the Existing Improvements, including below-grade asbestos thermal system insulation mitigation in accordance with the Department of Toxic Substances Controls “universal waste” procedures;
2. Mass grading to stabilize any soil pursuant to the Dust Control Plan and Asbestos Dust Management Plan;
3. Street and infrastructure demolition as set forth in the Demolition Plan and Budget, prepared by the Master Developer and approved by the Authority, and removal of debris in accordance with all regulations and requirements;
4. Installation of off-site utilities;
5. Such other tasks as may be necessary to effectuate the work contemplated in subsection (1) through (4) hereinabove, including, without limitation, implementing dust control and preparing for construction and environmental testing.

EXHIBIT E

INFRASTRUCTURE WORK

The infrastructure work shall consist of the roads, streets, utilities lines and conduits, sewer and other site improvements as set forth in the Hunters View Phase III Infrastructure Improvement Plans dated January 30, 2020, including Fairfax Avenue and Hunters View Drive.

EXHIBIT F

**SCHEDULE FOR PRECONSTRUCTION ACTIVITIES
AND HORIZONTAL COMPONENT ACTIVITIES**

ACTION	DATE
1. <u>Abatement Work Commencement</u> . Master Developer shall commence the Abatement Work for the Preconstruction and Horizontal Component Activities. [§2.2]	No later than September 30, 2020.
2. <u>Abatement Work Completion</u> . Master Developer shall complete the Abatement Work for the Preconstruction and Horizontal Component Activities. [§2.2]	No later than October 31, 2021.
3. <u>Demolition Work Commencement</u> . Master Developer shall commence the Demolition Work for the Preconstruction and Horizontal Component Activities. [§2.3]	No later than September 30, 2020.
4. <u>Demolition Work Completion</u> . Master Developer shall complete the Demolition Work for the Preconstruction and Horizontal Component Activities. [§2.3]	No later than November 30, 2020.
5. <u>Infrastructure Improvement Work Commencement</u> . The Master Developer shall commence the Infrastructure Improvement Work for the Preconstruction and Horizontal Component Activities. [§2.4]	No later than November 30, 2022.
6. <u>Infrastructure Improvement Work Completion</u> . The Master Developer shall complete the Infrastructure Improvement Work for the Preconstruction and Horizontal Component Activities. [§2.4]	No later than October 31, 2023.

EXHIBIT G-1

PHASE IIIA(1), PHASE IIIA(2) and PHASE IIIA(3)-HORIZONTAL FINANCING PLAN

Infrastructure Sources	
SF Mayor's Office of Housing + CD (MOHCD)	16,189,347
Existing OCII Funds (Phase IIA) Roll-over	4,500,000
SF DPW Streets Bonds	5,000,000
HCD Infill Infrastructure (IIG)	3,871,317
Total Infrastructure Sources 29,560,664	

EXHIBIT G-2

PHASE IIIA(1)-VERTICAL FINANCING PLAN

Vertical Sources	
Permanent 1st Mortgage	26,315,000
SF Mayor's Office of Housing + CD (MOHCD)	16,760,000
HCD Multifamily Housing Program (MHP)	20,000,000
FHLB Affordable Housing Program (AHP)	0
Contributed Developer Fee	7,200,000
Accrued Interest	0
Deferred Developer Fee	1,300,000
Tax Credit Equity	44,347,509
Total Vertical Sources	115,922,509

EXHIBIT H

PHASE IIIA(1) and PHASE IIIA(3)-DEVELOPMENT BUDGET

INFRASTRUCTURE	
Phases III Infrastructure	
Demolition	1,512,149
Infrastructure Construction Phase III	17,580,409
Contingency	1,758,041
Detention Basin/Retaining Wall	375,000
Park: Bayview	2,125,760
Soft Costs	4,600,779
Developer Fee - Infrastructure	1,608,526
Total Infrastructure Cost	
	29,560,664

VERTICAL	
Phase IIIA - Vertical	
Total Hard Costs	84,628,945
Total Design Costs	3,373,197
Total Fees & Permits	2,702,126
Total Financing Costs	8,622,705
Total Reserves	4,511,685
Total Other Soft Costs	1,203,850
Contributed Fee	8,500,000
Developer Fee - Vertical	2,380,000
Total Residential Cost	
	115,922,509

EXHIBIT I

PHASE IIIA(1), PHASE IIIA(2) and PHASE IIIA(3)-SCHEDULE OF PERFORMANCE

This Phase IIIA(1)-Schedule of Performance, Phase IIIA(2)-Schedule of Performance and Phase IIIA(3)-Schedule of Performance summarize the schedule for various activities under the Agreement to which this exhibit is attached. The description of items in this Phase IIIA(1)-Schedule of Performance, Phase IIIA(2)-Schedule of Performance and Phase IIIA(3)-Schedule of Performance are meant to be descriptive only, and shall not be deemed to modify in any way the provisions of the Agreement to which such items relate. Section references herein to the Agreement are intended merely as an aid in relating this Phase IIIA(1)-Schedule of Performance, Phase IIIA(2)-Schedule of Performance and Phase IIIA(3)-Schedule of Performance to other provisions of the Agreement and shall not be deemed to have any substantive effect. Times for performance are subject to Force Majeure, as further provided in Section 21.1(c) of the Agreement.

Whenever this Phase IIIA(1)-Schedule of Performance, Phase IIIA(2)-Schedule of Performance, or Phase IIIA(3)-Schedule of Performance requires the submission of plans or other documents at a specific time, such plans or other documents, as submitted, shall be complete and adequate for review by the Authority or other applicable governmental entity within the time set forth herein. Prior to the time set forth for each particular submission, the Master Developer shall consult with Authority staff informally as necessary concerning such submission in order to assure that such submission will be complete and in a proper form within the time for submission set forth herein.

As provided in the Agreement, this Phase IIIA(1)-Schedule of Performance, Phase IIIA(2)-Schedule of Performance and Phase IIIA(3)-Schedule of Performance may only be modified in a writing executed by all Parties, in accordance with Section 38.24 of the Agreement.

EXHIBIT I-1

PHASE IIIA(1)-SCHEDULE OF PERFORMANCE AND PHASE IIIA(3)-SCHEDULE OF PERFORMANCE

ACTION	DATE
1. <u>Phase IIIA-First Closing</u> . The Authority and the Master Developer shall execute the License and Preconstruction Services Agreement for the Preconstruction and Horizontal Component Activities. [§2.1]	No later than July 31, 2020.
2. <u>Abatement Work Commencement</u> . Master Developer shall commence the Abatement Work for the Preconstruction and Horizontal Component Activities. [§2.2]	No later than February 28, 2021.
3. <u>Abatement Work Completion</u> . Master Developer shall complete the Abatement Work for the Preconstruction and Horizontal Component Activities. [§2.2]	No later than March 31, 2022.
4. <u>Demolition Work Commencement</u> . Master Developer shall commence the Demolition Work for the Preconstruction and Horizontal Component Activities. [§2.3]	No later than February 28, 2021.
5. <u>Demolition Work Completion</u> . Master Developer shall complete the Demolition Work for the Preconstruction and Horizontal Component Activities. [§2.3]	No later than April 30, 2021.
6. <u>Infrastructure Improvement Work Commencement</u> . The Master Developer shall commence the Infrastructure Improvement Work for the Preconstruction and Horizontal Component Activities. [§2.4]	No later than April 30, 2022.
7. <u>Infrastructure Improvement Work Completion</u> . The Master Developer shall complete the Infrastructure Improvement Work for the Preconstruction and Horizontal Component Activities. [§2.4]	No later than March 31, 2023.

ACTION	DATE
8. <u>Negotiation of Additional Agreements</u> . The Parties shall commence to negotiate the additional agreements listed in [§4.1 and §4.1(b)(1)(i)-(ix)]	No later than September 30, 2021.
9. <u>HUD Approvals</u> . HUD shall have approved the Project Plan, if applicable, and all evidentiary documentation required thereunder. [§4.1(b)(2) and §8.2]	No later than May 31, 2021.
10. <u>Third Party Funding Commitment Applications</u> . Master Developer shall apply for all third party funding commitments necessary to fund construction of the Phase IIIA(1)Vertical Component, included allocations of tax exempt bond volume cap and/or LIHTC. [§4.1(b)(3) and (b)(4)]	No later than May 31, 2022.
11. <u>Funding Commitments for Phase IIIA-Third Closing</u> . Master Developer shall have received commitments of all the sources of projected assistance. [§4.1(b)(3) and (b)(4)]	No later than June 30, 2022.
12. <u>Ground Lease and Memorandum of Ground Lease</u> . Execute, acknowledge, deposit and deliver to Title Company the Ground Lease and the Memorandum of Ground Lease. [§4.4(b)(2) and (c)(2)]	No later than October 31, 2021.
13. <u>Phase IIIA(3)-Horizontal Component Financing Plan</u> . Master Developer shall have submitted and received approval from the Authority for the Financing Plan for the Phase IIIA(3)-Horizontal Component. [§5.1]	No later than October 31, 2021.
14. <u>Submission of Phase IIIA(3)-Horizontal Design Drawings</u> . Master Developer shall submit the Phase IIIA(3)-Horizontal Design Drawings based on the Schematic Design and the Scope of Development. [§6.3(a)]	No later than June 1, 2021.

ACTION	DATE
<p>15. <u>Approval of Phase IIIA(3)-Horizontal Design Drawings.</u> The Authority shall approve the Phase IIIA(3)-Horizontal Design Drawings based on the Schematic Design and the Scope of Development. [§6.3(a)]</p>	<p>Within ten (10) business days of receipt of the submittal from the Master Developer.</p>
<p>16. <u>Submission of Phase IIIA(3)-Horizontal Final Construction Drawings.</u> Master Developer shall submit the Phase III(A)(3)-Horizontal Construction Drawings based on the Phase IIIA(3)-Horizontal Design Drawings. [§4.2 and §6.3(b)]</p>	<p>No later than August 31, 2021.</p>
<p>17. <u>Approval of Phase IIIA(3)-Horizontal Final Construction Drawings.</u> The Authority shall approve the Phase IIIA(3)-Horizontal Final Construction Drawings based on the Phase IIIA(3)-Horizontal Design Drawings. [§6.3(b)]</p>	<p>Within ten (10) business days of receipt of the submittal from the Master Developer.</p>
<p>18. <u>Application for Permits and Approvals.</u> Master Developer shall apply for all necessary building and construction permits, licenses, easements, zoning and approvals, including commitments to provide utilities for the Phase IIIA(3)-Horizontal Component. [§4.2(b)(2) and §6.4]</p>	<p>No later than July 31, 2020.</p>
<p>19. <u>Phase IIIA(3)-Horizontal Construction Contract.</u> Master Developer shall have submitted and received approval from the Authority for the Phase IIIA(3)-Horizontal Construction Contract. [§6.7]</p>	<p>No later than January 31, 2022.</p>
<p>20. <u>Obtain Permits and Approvals.</u> Master Developer shall have obtained all necessary building and construction permits, licenses, easements, zoning and approvals, including commitments to provide utilities for the Phase IIIA(3)-Horizontal Component. [§4.2(b)(2) and §6.8]</p>	<p>No later than January 31, 2022.</p>

ACTION	DATE
21. <u>Phase IIIA(3)-Horizontal Component Construction Commencement.</u> Master Developer shall commence construction of the Phase IIIA(3)-Horizontal Component. [§7.1]	No later than March 31, 2022.
22. <u>Phase IIIA(3)-Horizontal Component Construction Completion.</u> Master Developer shall complete construction of the Phase IIIA(3)-Horizontal Component. [§7.2]	No later than July 31, 2023.
23. <u>Phase IIIA(1)-Vertical Component Financing Plan.</u> Master Developer shall have submitted and received approval from the Authority for the Financing Plan for the Phase IIIA(1)-Vertical Component. [§8.1(b)]	No later than June 30, 2022.
24. <u>Submission of Phase IIIA(1)-Vertical Design Drawings.</u> Master Developer shall submit the Phase IIIA(1)-Vertical Design Drawings based on the Schematic Design and the Scope of Development. [§9.3(a)]	No later than August 31, 2021.
25. <u>Approval of Phase IIIA(1)-Vertical Design Drawings.</u> The Authority shall approve or disapprove the Phase IIIA(1)-Vertical Design Drawings based on the Schematic Design and the Scope of Development. [§9.3(a)]	Within ten (10) business days of receipt of the submittal from the Master Developer.
26. <u>Submission of Phase IIIA(1)-Vertical Final Construction Drawings.</u> Master Developer shall submit the Phase IIIA(1)-Vertical Construction Drawings based on the Phase IIIA(1)-Vertical Design Drawings. [§9.3(b)]	No later than June 30, 2022
27. <u>Approval of Phase IIIA(1)-Vertical Final Construction Drawings.</u> The Authority shall approve the Phase IIIA(1)-Vertical Final Construction Drawings based on the Phase IIIA(1)-Vertical Design Drawings. [§9.3(b)]	Within ten (10) business days of receipt of the submittal from the Master Developer.

ACTION	DATE
<p>28. <u>Application for Permits and Approvals.</u> Master Developer shall apply for all necessary building and construction permits, licenses, easements, zoning and approvals, including commitments to provide utilities for the Phase IIIA(1)-Vertical Component. [§4.2(b)(2) and §9.4]</p>	<p>No later than August 31, 2021</p>
<p>29. <u>Phase IIIA(1)-Vertical Construction Contract.</u> Master Developer shall have submitted and received approval from the Authority for the Phase IIIA(1)-Vertical Construction Contract. [§9.7]</p>	<p>No later than August 31, 2022.</p>
<p>30. <u>Obtain Permits and Approvals.</u> Master Developer shall have obtained all necessary building and construction permits, licenses, easements, zoning and approvals, including commitments to provide utilities for the Phase IIIA(1)-Vertical Component. [§4.2(b)(2) and §9.8]</p>	<p>No later than October 31, 2022.</p>
<p>31. <u>Phase IIIA-Third Closing.</u> The date on which the Tax Credit Investor is admitted into the Phase IIIA(1)-Developer; the construction loans for the Phase IIIA(1)-Development are recorded. [§1.4(xxxx)]</p>	<p>No later than June 30, 2022.</p>
<p>32. <u>Phase IIIA(1)-Vertical Component Construction Commencement.</u> Master Developer shall commence construction of the Phase IIIA(1)-Vertical Component. [§10.1]</p>	<p>No later than December 31, 2022.</p>
<p>33. <u>Phase IIIA(1)-Vertical Component Construction Completion.</u> Master Developer shall complete construction of the Phase IIIA(1)-Vertical Component. [§10.2]</p>	<p>No later than December 31, 2024.</p>
<p>34. <u>Phase IIIA(1)-Insurance.</u> Master Developer shall provide the Authority with the insurance certificates required [Article 18]</p>	<p>No later than October 31, 2021.</p>

EXHIBIT I-2

PHASE IIIA(2)- SCHEDULE OF PERFORMANCE

ACTION	DATE
1. <u>Abatement Work Commencement</u> . Master Developer shall commence the Abatement Work for the Preconstruction and Horizontal Component Activities. [§2.2]	No later than February 28, 2021.
2. <u>Abatement Work Completion</u> . Master Developer shall complete the Abatement Work for the Preconstruction and Horizontal Component Activities. [§2.2]	No later than March 31, 2022.
3. <u>Demolition Work Commencement</u> . Master Developer shall commence the Demolition Work for the Preconstruction and Horizontal Component Activities. [§2.3]	No later than February 28, 2021.
4. <u>Demolition Work Completion</u> . Master Developer shall complete the Demolition Work for the Preconstruction and Horizontal Component Activities. [§2.3]	No later than April 30, 2021.
5. <u>Infrastructure Improvement Work Commencement</u> . The Master Developer shall commence the Infrastructure Improvement Work for the Preconstruction and Horizontal Component Activities. [§2.4]	No later than April 30, 2022.
6. <u>Infrastructure Improvement Work Completion</u> . The Master Developer shall complete the Infrastructure Improvement Work for the Preconstruction and Horizontal Component Activities. [§2.4]	No later than April 30, 2023.
7. <u>Land Use Approvals</u> . The Master Developer shall obtain any necessary land use approvals for the Phase IIIA(2)-Development. [§12.2]	No later than December 31, 2021.

ACTION	DATE
8. <u>Phase IIIA-Second Closing</u> . The Authority shall lease to the Master Developer the Phase IIIA(2)-Development Site. [§12.3]	No later than January 31, 2022.
9. <u>Ground Lease and Memorandum of Ground Lease</u> . Execute, acknowledge, deposit and deliver to Title Company the Phase IIIA(2)-Ground Lease and the Memorandum of Phase IIIA(2)-Ground Lease. [§13.4(b)(2)]	No later than January 31, 2022.
10. <u>Phase IIIA(2)-Horizontal Component Financing Plan</u> . Master Developer shall have submitted and received approval from the Authority for the Financing Plan for the Phase IIIA(2)-Horizontal Component. [§14.1]	No later than June 30, 2022.
11. <u>Submission of Phase IIIA(2)-Horizontal Design Drawings</u> . Master Developer shall submit the Phase IIIA(2)-Horizontal Design Drawings based on the Schematic Design and the Scope of Development. [§15.3(a)]	No later than May 31, 2022.
12. <u>Approval of Phase IIIA(2)-Horizontal Design Drawings</u> . The Authority shall approve the Phase IIIA(2)-Horizontal Design Drawings based on the Schematic Design and the Scope of Development. [§15.3(a)]	Within ten (10) business days of receipt of the submittal from the Master Developer.
13. <u>Submission of Phase IIIA(2)-Horizontal Final Construction Drawings</u> . Master Developer shall submit the Phase IIIA(2)-Horizontal Construction Drawings based on the Phase IIIA(2)-Horizontal Design Drawings. [§15.3(b)]	No later than November 30, 2021.
14. <u>Approval of Phase IIIA(2)-Horizontal Final Construction Drawings</u> . The Authority shall approve the Phase IIIA(2)-Horizontal Final Construction Drawings based on the Phase IIIA(2)-Horizontal Design Drawings. [§15.3(b)]	Within ten (10) business days of receipt of the submittal from the Master Developer.

ACTION	DATE
<p>15. <u>Application for Permits and Approvals.</u> Master Developer shall apply for all necessary building and construction permits, licenses, easements, zoning and approvals, including commitments to provide utilities for the Phase IIIA(2)-Horizontal Component. [§15.4]</p>	<p>No later than February 28, 2022.</p>
<p>16. <u>Phase IIIA(2)-Horizontal Construction Contract.</u> Master Developer shall have submitted and received approval from the Authority for the Phase IIIA(2)-Horizontal Construction Contract. [§15.7]</p>	<p>No later than May 31, 2022.</p>
<p>17. <u>Obtain Permits and Approvals.</u> Master Developer shall have obtained all necessary building and construction permits, licenses, easements, zoning and approvals, including commitments to provide utilities for the Phase IIIA(2)-Horizontal Component. [§15.8]</p>	<p>No later than May 31, 2022.</p>
<p>18. <u>Phase IIIA(2)-Horizontal Component Construction Commencement.</u> Master Developer shall commence construction of the Phase IIIA(2)-Horizontal Component. [§16.1]</p>	<p>No later than June 30, 2022.</p>
<p>19. <u>Phase IIIA(2)-Horizontal Component Construction Completion.</u> Master Developer shall complete construction of the Phase IIIA(2)-Horizontal Component. [§16.2]</p>	<p>No later than October 31, 2023.</p>
<p>20. <u>Phase IIIA(2)-Insurance.</u> Master Developer shall provide the Authority with the insurance certificates required [Article 18]</p>	<p>No later than October 31, 2021.</p>

EXHIBIT J-1

PHASE IIIA(3)-HORIZONTAL SCHEMATIC DESIGN

The Horizontal Schematic Designs are set forth in the Hunters View Phase III Infrastructure Improvement Plans dated January 30, 2020.

EXHIBIT J-2

PHASE IIIA(1)-VERTICAL SCHEMATIC DESIGN

The Phase IIIA(1)-Vertical Schematic Designs for Block 14 (Lot 3) are set forth in the Hunters View Schematic Design set dated October 24, 2019. The Phase IIIA(1)-Vertical Schematic Designs for Block 17 (Lot 4) are set forth in the Hunters View Schematic Design set dated October 24, 2019.

EXHIBIT K

PHASE IIIA-SCOPE OF DEVELOPMENT

Phase IIIA-Development will have three subparts: Phase IIIA(1)-Development consists of the construction of: (a) approximately one hundred twelve (118) multi-family housing units, including fifty-three (53) PHA-Replacement Units and all except one (1) PHA-Replacement Unit, which will serve as the manager's unit, will be designated as tax credit housing units, one (1) PHA-Replacement Unit will be a non-tax credit unit (collectively, the "Phase IIIA(1)-Development"); (b) construction of one park (collectively, the "Phase IIIA(2)-Development"); and (c) the infrastructure improvements, public street and rights of way improvements, to be named Fairfax Avenue and Hunters View Drive, which will be conveyed to the City (the "Phase IIIA(3)-Development").

EXHIBIT L

PHASE IIIB-DEVELOPMENT BUDGET

[to be inserted later]

EXHIBIT M

PHASE IIIB-HORIZONTAL FINANCING PLAN

[to be inserted later]

EXHIBIT N

PHASE IIIB-SCHEDULE OF PERFORMANCE

This Phase IIIB-Schedule of Performance summarizes the schedule for various activities under the Agreement to which this exhibit is attached. The description of items in this Phase IIIB-Schedule of Performance is meant to be descriptive only, and shall not be deemed to modify in any way the provisions of the Agreement to which such items relate. Section references herein to the Agreement are intended merely as an aid in relating this Phase IIIB-Schedule of Performance to other provisions of the Agreement and shall not be deemed to have any substantive effect. Times for performance are subject to Force Majeure, as further provided in Section 21.11 of the Agreement.

Whenever this Phase IIIB-Schedule of Performance requires the submission of plans or other documents at a specific time, such plans or other documents, as submitted, shall be complete and adequate for review by the Authority, within the time set forth herein. Prior to the time set forth for each particular submission, the Developer shall consult with Authority staff informally as necessary concerning such submission in order to assure that such submission will be complete and in a proper form within the time for submission set forth herein.

As provided in the Agreement, this Phase IIIB-Schedule of Performance may only be modified in a writing executed by all Parties, in accordance with Section 38.23(c)(1) of the Agreement.

Notwithstanding anything to the contrary contained in this Phase IIIB-Schedule of Performance, the Authority acknowledges that the Master Developer anticipates that the Phase IIIB-Horizontal Component will be developed on a similar schedule as the Phase IIIA(3)-Horizontal Component.

PHASE IIIB-SCHEDULE OF PERFORMANCE

ACTION	DATE
1. <u>Phase IIIB-First Closing Short-Term Ground Lease</u> . The Authority and Master Developer shall execute the short-term ground lease for the Phase IIIB-Development Site. [§25.3]	No later than October 31, 2021.
2. <u>Commence Grading and Site Preparation Work</u> . Master Developer shall commence a portion of the Phase IIIB Infrastructure Improvements related to grading and site preparation work on the Phase IIIB-Development Site. [§25.5]	No later than February 28, 2022.
3. <u>Complete Grading and Site Preparation Work</u> . Master Developer shall complete a portion of the Phase IIIB Infrastructure Improvements related to grading and site preparation work on the Phase IIIB-Development Site. [§25.5]	No later than October 31, 2023.
4. <u>Market Report</u> . The Master Developer shall have submitted to the Authority a Market Report, prepared by the Marketing Consultant for Hunters View, outlining the current market conditions of the for-sale market in Bayview Hunters Point. [§26.6]	No later than October 31, 2022.
5. <u>Developer Report</u> . The Master Developer shall have submitted to the Authority a Developer Report, which shall incorporate the findings of the Market Report and also provide a feasibility analysis and a Determination of Feasibility for proceeding with the development of Blocks 12, 13, 15, 16, and 18. [§26.2]	No later than December 31, 2022.
6. <u>Market Report</u> . The Master Developer shall have submitted to the Authority a Market Report, prepared by the Marketing Consultant for Hunters View, outlining the current market conditions of the for-sale market in Bayview Hunters Point. [§26.6]	No later than October 31, 2023.

ACTION	DATE
<p>7. <u>Developer Report.</u> The Master Developer shall have submitted to the Authority a Developer Report, which shall incorporate the findings of the Market Report and also provide a feasibility analysis and a Determination of Feasibility for proceeding with the development of Blocks 12, 13, 15, 16, and 18. [§26.6]</p>	<p>No later than December 31, 2023.</p>
<p>8. <u>Market Report.</u> The Master Developer shall have submitted to the Authority a Market Report, prepared by the Marketing Consultant for Hunters View, outlining the current market conditions of the for-sale market in Bayview Hunters Point. [§26.6]</p>	<p>No later than October 31, 2024.</p>
<p>9. <u>Developer Report.</u> The Master Developer shall have submitted to the Authority a Developer Report, which shall incorporate the findings of the Market Report and also provide a feasibility analysis and an updated Determination of Feasibility for proceeding with the development of Blocks 12, 13, 15, 16, and 18. [§26.6]</p>	<p>No later than December 31, 2024.</p>
<p>10. <u>Market Report.</u> The Master Developer shall have submitted to the Authority a Market Report, prepared by the Marketing Consultant for Hunters View, outlining the current market conditions of the for-sale market in Bayview Hunters Point. [§26.6]</p>	<p>No later than October 31, 2025.</p>
<p>11. <u>Development Proposal.</u> The Master Developer shall have submitted to the Authority a Developer Report, which incorporates the findings of the Market Report and also provide an updated feasibility analysis and a Determination of Feasibility for the development of Blocks 12, 13, 15, 16, and 18. [§26.6]</p>	<p>No later than December 31, 2025</p>

ACTION	DATE
12. <u>Request for Extension.</u> To the extent required, the Master Developer shall have submitted to the Authority a written request for an Extended Term to the Lease. [§26.6]	No later than six (6) months prior to the expiration of the Lease.
13. <u>Review of Extension.</u> Authority shall have responded to the Request for Extension. [§25.1]	Within forty-five (45) business days of receipt of the submittal from the Master Developer.
14. <u>Phase IIIB-Horizontal Component Financing Plan.</u> Master Developer shall have submitted and received approval from the Authority for any updated to the Financing Plan for the Phase IIIB-Horizontal Component. [§26.5]	No later than one (1) year following a Determination of Feasibility.
15. <u>Phase IIIB-Horizontal Component Scope of Development.</u> Master Developer shall have submitted and received approval from the Authority for the Phase IIIB-Horizontal Component Scope of Development. [§26.6]	No later than one (1) year following a Determination of Feasibility.
16. <u>Phase IIIB-Horizontal Construction Financing.</u> Master Developer shall submit to the Authority evidence reasonably satisfactory to the Authority that any conditions to release or expend funds described in the approved Phase IIIB-Horizontal Financing Plan have been met. [§26.9]	No later than one (1) year following a Determination of Feasibility.
17. <u>Phase IIIB-Second Closing.</u> Master Developer and the Authority shall execute, acknowledge, deposit and deliver to Title Company the long term Ground Lease and the Memorandum of Ground Lease. [§27.1]	No later than two (2) years following a Determination of Feasibility.
18. <u>Phase IIIB-Horizontal Component Schematic Design.</u> Master Developer shall have submitted and received approval from the Authority for the Phase IIIB-Horizontal Component Schematic Design. [§28.1]	No later than one (1) year following a Determination of Feasibility.

ACTION	DATE
<p>19. <u>Submission of Phase IIIB-Horizontal Design Drawings.</u> Master Developer shall submit the Phase IIIB-Horizontal Design Drawings based on the Phase IIIB-Horizontal Schematic Design and the Phase IIIB-Horizontal Scope of Development. [§28.3(a)]</p>	<p>No later than sixteen (16) months following a Determination of Feasibility.</p>
<p>20. <u>Approval of Phase IIIB-Horizontal Design Drawings.</u> The Authority shall approve the Phase IIIB-Horizontal Design Drawings based on the Phase IIIB-Horizontal Schematic Design and the Phase IIIB-Horizontal Scope of Development. [§28.3(a)]</p>	<p>Within ten (10) business days of receipt of the submittal from the Master Developer.</p>
<p>21. <u>Submission of Phase IIIB-Horizontal Final Construction Drawings.</u> Master Developer shall submit the Phase IIIB-Horizontal Construction Drawings based on the Phase IIIB-Horizontal Design Drawings. [§28.3(b)]</p>	<p>No later than twenty (20) months following a Determination of Feasibility.</p>
<p>22. <u>Approval of Phase IIIB-Horizontal Final Construction Drawings.</u> The Authority shall approve the Phase IIIB-Horizontal Final Construction Drawings based on the Phase IIIB-Horizontal Design Drawings. [§28.3(b)]</p>	<p>Within ten (10) business days of receipt of the submittal from the Master Developer.</p>
<p>23. <u>Application for Permits and Approvals.</u> Master Developer shall apply for all necessary building and construction permits, licenses, easements, zoning and approvals, including commitments to provide utilities for the Phase IIIB-Horizontal Component. [§28.4 and §28.8]</p>	<p>No later than twenty (20) months following a Determination of Feasibility.</p>
<p>24. <u>Phase IIIB-Horizontal Construction Contract.</u> Master Developer shall have submitted and received approval from the Authority for the Phase IIIB-Horizontal Construction Contract. [§28.7]</p>	<p>No later than two (2) years following a Determination of Feasibility.</p>

ACTION	DATE
<p>25. <u>Obtain Permits and Approvals.</u> Master Developer shall have obtained all necessary building and construction permits, licenses, easements, zoning and approvals, including commitments to provide utilities for the Phase IIIB-Horizontal Component. [§28.4 and §28.8]</p>	<p>No later than two (2) years following a Determination of Feasibility.</p>
<p>26. <u>Phase IIIB-Horizontal Component Construction Commencement.</u> Master Developer shall commence construction of the Phase IIIB-Horizontal Component. [§29.1]</p>	<p>No later than two (2) years following a Determination of Feasibility.</p>
<p>27. <u>Phase IIIB-Horizontal Component Construction Completion.</u> Master Developer shall complete construction of the Phase IIIB-Horizontal Component. [§29.2]</p>	<p>No later than forty (40) months following a Determination of Feasibility.</p>
<p>28. <u>Phase IIIB-Insurance.</u> Master Developer shall provide the insurance certificates for the Phase IIIB-Development. [§29.6]</p>	<p>No later than the date at which the Phase IIIB-Ground Lease is entered into.</p>

EXHIBIT O-1

PHASE IIIB-HORIZONTAL SCHEMATIC DESIGN

[to be inserted later]

EXHIBIT O-2

PHASE IIIB-VERTICAL SCHEMATIC DESIGN

[to be inserted later]

EXHIBIT P

SITE PLAN



EXHIBIT Q

LIST OF HAZARDOUS MATERIALS DOCUMENTS

Transportation Studies

Title	Author	Date
Transportation Study Draft Report	CHS Consulting Group, for SF Planning Dept.	07-07-2004
Transportation Study Draft Report	CHS Consulting Group, for SF Planning Dept.	09-09-2004
Transportation Study: Technical Appendix	DMJM Harris AECOM	02-29-2008
Transportation Study Final Report: Major Environmental Analysis	DMJM Harris AECOM	02-29-2008

Geotechnical Studies

Title	Author	Date
Geotechnical Engineering Services Report + Appendix	PSI	10-10-2003
Geotechnical Exploration (+ Response to Comments from Various Consultants)	ENGEO	09-11-2008
Supplemental Geotechnical Design Recommendations	ENGEO	12-14-2009
Retaining Wall Stability Evaluation Near PG&E Trench	ENGEO	04-28-2010, Revised 04-30-2010
Additional Geotechnical Exploration	ENGEO	05-21-2010
Clarification and Supplemental Geotechnical Design Recommendations	ENGEO	08-04-2010
Review of Foundation Plans: Phase I Block 4	ENGEO	08-19-2010
Review of Foundation Plans (5A, 5B, 6A, 6B)	ENGEO	08-26-2010
Phase III Geotechnical Investigation	Rockridge/Divis	06-05-2013

Environmental Studies

Title	Author	Date
Phase I Environmental Site Assessment (+ Appendices in a second PDF)	Smith-Emery Co., for SFHA	07-25-2003
Summary Report: Exterior Lead-Based Paint Risk Assessment	SCA Environmental, Inc.	03-19-2004
Biological Assessment (resources survey)	PBS&J (EIP Associates)	10-03-2007
Environmental Impact Report	PBS&J, for SF Planning	03-2008
Environmental Assessment	PBS&J, for HUD	08-2008
Environmental Noise Study	Charles M. Salter Associates, Inc.	09-05-2008

Combined Phase I and Phase III Environmental Site Assessment Report	ENGEO	11-20-2009
Environmental Assessment	Tetra Tech, for SF MOH	01-2010
Dust Control Plan	ENGEO	01-11-2010
Naturally Occurring Asbestos Dust Mitigation Plan	ENGEO	02-12-2010 Revised 02-17-2010
Naturally Occurring Asbestos Dust Mitigation Plan Amendment	ENGEO	10-28-2011
Bird Survey Report/Letter	PBS&J	03-08-2010
Consultation Regarding Project Soil Conditions	ENGEO	09-01-2010 Revised 09-03-2010
Memo Documenting Section 106 Compliance and Fulfillment of Mitigation Measures for Phase I	Garcia & Associates	11-16-2010
Combined Phase I and Phase III Environmental Site Assessment Update	ENGEO	02-17-2011 Revised 03-11-2011
Phase I Environmental Site Assessment	ENGEO	04-04-2011
HV Phase III Hazardous Material Survey Summary Data Tables and Laboratory Reports	PSI	06-17-2013
Phase I Environmental Site Assessment	PSI	02-13-2020

Environmental: Historic Studies

Historic Resource Evaluation	Carey & Co.	07-26-2001, Updated 09-10-2007
Archeological Resources Investigations for BVHP Redevelopment Plan	David Chavez & Associates, via EIP Associates	08-2001
Archeological Resources Investigations for BVHP Redevelopment Plan: Oakinba and South Basin Addition Activity Nodes	David Chavez & Associates, via EIP Associates	05-2004
Archeological Resources Investigations for BVHP Redevelopment Plan: Evans Avenue Addition	David Chavez & Associates, via EIP Associates	08-2004
Historic Resource Evaluation Response, MEA	SF Planning Dept.	11-05-2007
MEA Preliminary Archeological Review: Checklist	SF Planning Dept.	02-07-2008

Environmental: Administrative Items

Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources	SFHA	07-30-2009
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Code		
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Environmental: Lab Studies

Asbestos Survey Report (Volumes I & II)	SCA Environmental, for SFHA	09-1994
Phase I Hazardous Material Bidding Information / Building	PSI	09-14-2009
ACM Survey (Tables for each Phase I building)	PSI	09-25-2009
Subsurface Pipe Insulation Sampling Results	PSI	07-15-2010
Phase I Asbestos Abatement Activities Final Report	Twegbe, Inc.	05-07-2010
Subsurface Piping Removal – Site Observations Report	PSI	06-13-2011

Other Studies





Title	Author	Date
Housing Environmental Services, Inc.: Risk Assessment Report Form	Environmental Science & Engineering, Inc. for SFHA	02-07-1994
Arborist Report (Street & Significant Trees)	Walter Levinson	01-12-2007
Custom Market Analysis	Polaris Group	01-2008
Preliminary Market Assessment Letter	Zimmerman/Volk Associates, for SFHA	10-26-2009
Environmental Health & Safety Plan	PSI	02-11-2010
Health & Safety Work Plan for Concrete Demolition Work Involving NOA & Lead Containing Paint	PSI	05-20-2011

EXHIBIT R

MEMORANDUM OF UNDERSTANDING

INTERAGENCY MEMORANDUM OF UNDERSTANDING

BETWEEN

	SAN FRANCISCO REDEVELOPMENT AGENCY
	SAN FRANCISCO HOUSING AUTHORITY
	MAYOR'S OFFICE OF HOUSING
 SAN FRANCISCO Office of Economic and Workforce Development	DEPARTMENT OF ECONOMIC & WORKFORCE DEVELOPMENT

FOR THE
HUNTERS VIEW DEVELOPMENT PROJECT

CONTRACT/WORKFORCE COMPLIANCE
WORKFORCE DEVELOPMENT & TRAINING

SECTION I. PURPOSE

This Inter-Agency Memorandum of Understanding (MOU) is between the San Francisco Redevelopment Agency (SFRA), San Francisco Housing Authority (SFHA), Mayor's Office of Housing (MOH), and Department of Economic and Workforce Development (DEWD), collectively referred to as the "MOU members."

The primary purpose of this MOU is to clarify and define the roles, responsibilities, goals and procedures of each of the aforementioned parties in relation to the City's "community benefit" program for the Hunters View Development Project. This "community benefit" program is designed to institute the mechanisms by which the Project's developer, Hunters View Associates L.P. (Developer), will demonstrate the requisite good faith efforts necessary to achieve the specified goals for the project. The specific programs to be enforced or executed are:

1. Small Business Enterprise Program
2. Bayview Hunters Point Employment & Contracting Policy*
3. Housing and Urban Development Act of 1968
4. San Francisco Housing Authority Resolutions No. 4967 and 3639

(*) These SFRA programs/goals are amended to incorporate SFHA goals and define how the developer and/or contractors/subcontractors can demonstrate their good faith efforts.

SECTION II. AGREEMENTS AMONG PARTICIPATING PARTIES

The San Francisco Redevelopment Agency (SFRA), San Francisco Housing Authority (SFHA), Mayor's Office of Housing (MOH), and Department of Economic and Workforce Development (DEWD) all agree as follows.

1. DEVELOPER COMPLIANCE

Compliance by the Developer with all the requirements contained in this MOU will relieve the Developer from all other workforce requirements, programs and policies of the MOU members.

2. CONSTRUCTION WORKFORCE

- a. The rules of the San Francisco Redevelopment Agency's Bayview Hunters Point Employment and Contracting Policy (BVHP ECP) governs construction workforce hiring and placement, with a residency modification to accommodate provisions in the Housing and Urban Development (HUD) Act of 1968, Section 3 and the San Francisco Housing Authority's Resolution Number 4967. These modifications are detailed in Section III of this MOU.
- b. SFRA will monitor and enforce the BVHP ECP.
- c. SFRA will provide access to all MOU members through an electronic certified payroll system (e.g., Elations).
- d. DEWD/CityBuild will serve as the lead and initial point of contact between the Bayview Hunters Point community and construction (sub)contractors for construction worker placement.
- e. Contractor and/or subcontractors will also submit to SFRA copies of all correspondences to/from CityBuild, SFHA, and/or trade unions requesting

resident workers and will attach these documents to their Certified Payroll Reports.

3. PROFESSIONAL SERVICES TRAINEE REQUIREMENTS

- a. The rules of the San Francisco Redevelopment Agency's Bayview Hunters Point Employment and Contracting Policy (BVHP ECP) governs trainee hiring and placement, with a residency modification to accommodate provisions in the Housing and Urban Development (HUD) Act of 1968, Section 3 and the San Francisco Housing Authority's Resolution Number 4967. These modifications are detailed in Section III of this MOU.
- b. SFRA will monitor and enforce the BVHP ECP.
- c. DEWD will serve as the lead and initial point of contact between the Bayview Hunters Point community and professional services (sub)consultants for trainee placement.

4. PERMANENT WORKFORCE

- a. The rules of the San Francisco Redevelopment Agency's Bayview Hunters Point Employment and Contracting Policy (BVHP ECP) governs permanent workforce hiring and placement, with a residency modification to accommodate provisions in the Housing and Urban Development (HUD) Act of 1968, Section 3 and the San Francisco Housing Authority's Resolution Number 4967. These modifications are detailed in Section III of this MOU.
- b. According to HUD, Section 3, at least 30 percent of the permanent, full-time employees hired should be Section 3 residents. After a Section 3 employee has been employed for 3 years, the employee may no longer be counted as a Section 3 employee to meet the 30 percent requirement. This requires recipients to continue hiring Section 3 residents when employment opportunities are available.
- c. SFRA will monitor and enforce the BVHP ECP.
- d. DEWD will serve as the lead and initial point of contact between the Bayview Hunters Point community and businesses for permanent workforce placement.
- e. For permanent workforce tracking, the developer and/or retail tenants will submit a permanent workforce report provided by SFRA. The developer and/or retail tenants will submit to SFRA copies of all correspondence to/from SFHA, or DEWD requesting assistance to ensure that permanent employment placement occurs according to the Section III priority.

SECTION III. SFHA REQUIREMENTS AND SFRA BVHP ECP MODIFICATIONS

1. Workforce Hiring Goals

San Francisco Housing Authority Goal: at least 25 percent of all workforce hours going toward Public Housing Residents as defined in San Francisco Housing Authority's Resolution number 4967 requirement. This goal is not additional; the hiring of Public Housing Residents counts toward the goal for participation of San Francisco residents.

San Francisco Redevelopment Agency Goal: The Goal for participation of San Francisco residents in each trade in the construction workforce: 50 percent of the total hours worked in each trade.

2. Permanent Workforce Hiring Goals

The Owner and the on-site retail tenants' permanent workforce requirements are outlined below.

- a. The rules of the San Francisco Redevelopment Agency's Bayview Hunters Point Employment and Contracting Policy (BVHP ECP) governs permanent workforce hiring and placement, with a residency modification to accommodate provisions in the Housing and Urban Development (HUD) Act of 1968, Section 3 and the San Francisco Housing Authority's Resolution Number 4967. These modifications are detailed in Section III of this MOU.
- b. According to HUD, Section 3, at least 30 percent of the permanent, full-time employees hired should be Section 3 residents. After a Section 3 employee has been employed for 3 years, the employee may no longer be counted as a Section 3 employee to meet the 30 percent requirement. This requires recipients to continue hiring Section 3 residents when employment opportunities are available.

3. Employment Placement Priority

Individuals will be placed in employment opportunities in the following order of preference, using good faith efforts:

1. Hunters View Public Housing residents (named on lease);
2. San Francisco Housing Authority residents within 94124;
3. San Francisco Housing Authority residents in 94134 and 94107;
4. San Francisco Housing Authority residents in other zip codes;
5. Hunters View Communities of Opportunities members;
6. Bayview Hunters Point Project Area residents; AND
7. San Francisco residents.

SECTION IV. ROLES AND RESPONSIBILITIES

A. San Francisco Redevelopment Agency: will serve as the primary agency to collect and share employment data with participating agencies. In addition, SFRA will be responsible for contract compliance. The SFRA is specifically responsible for workforce construction data collection and enforcement of the BVHP Employment and Contracting Policy.

B. San Francisco Housing Authority: will confirm residency in a public housing development and ensure qualified residents are referred to DEWD for employment opportunities. SFHA will also provide resident data to SFRA to track resident employment.

C. Mayor's Office of Housing: will not have any workforce related role.

D. Department Of Economic & Workforce Development: DEWD is the primary entity for developing and executing job-training program(s) specifically targeting residents to meet the goals and requirements outlined earlier. DEWD will also serve as the lead for referrals and placements.

To ensure an efficient work referral system, DEWD is the single point of contact and to work with the developer, its retail tenants and BVHP community for placement of San Francisco residents for permanent employment opportunities.

To ensure an efficient work referral system, the DEWD's CityBuild Program ("CityBuild") will be the lead and initial point of contact between the developer, its contractor/subcontractors and the BVHP community for placement of San Francisco residents for construction work.

SECTION V. PREVAILING WAGE REQUIREMENTS

All contractors are required to pay not less than the prevailing wage rate as determined by the General Prevailing Wage Determination made by the Director of Industrial Relations.

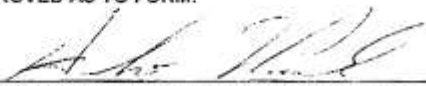
SECTION VI. COUNTERPARTS, FACSIMILE COPIES. This Agreement shall be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. This Agreement shall be effective upon transmission by any party to the other parties of a fully signed facsimile copy of the Agreement, so long as a copy of the Agreement signed by the transmitting party is delivered to the other parties within five (5) days thereafter.

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first specified herein.


SFRA Executive Director, Fred Blackwell _____ Date 1/7/11

APPROVED AS TO FORM:

By: 
SFRA General Counsel, James B. Morales _____ Date _____

SFHA Executive Director, Henry A. Alvarez, III _____ Date _____

APPROVED AS TO FORM:

By: _____
SFHA Assistant General Counsel, Reger Crawford _____ Date _____


MOH Director, Douglas Shoemaker _____ Date 1/7/11

DEWD Director, Jennifer Matz _____ Date _____

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first specified herein.

SFRA Executive Director, Fred Blackwell Date

APPROVED AS TO FORM:

By: _____
SFRA General Counsel, James B. Morales

SFHA Executive Director, Henry A. Alvarez, III Date 1/20/11

APPROVED AS TO FORM:

By: _____
SFHA Assistant General Counsel Date 1/19/11

MOH Director, Douglas Shoemaker Date

DEWD Director, Jennifer Matz Date

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first specified herein.

SFRA Executive Director, Fred Blackwell Date

APPROVED AS TO FORM:

By: _____
SFRA General Counsel, James B. Morales

SFHA Executive Director, Henry A. Alvarez, III Date

APPROVED AS TO FORM:

By: _____
SFHA Assistant General Counsel, Roger Crawford Date

MOH Director, Douglas Shoemaker Date

 _____
DEWD Director, Jennifer Matz Date 1/21/11

EXHIBIT S

PHASE IIIB-SCOPE OF DEVELOPMENT

Phase IIIB-Development consists of the planning, development and construction of approximately two hundred thirty (230) housing units, which may include for-sale housing at a purchase price at market rate or below market rate or rental housing at market rate (collectively, the "Phase IIIB-Development"), which will be located on that portion of the Property shown in Exhibit C (the "Phase IIIB-Development Site"). The Parties acknowledge that the Master Developer is still in the preliminary stages in the planning, development and construction of the Phase IIIB-Development, and further that the primary purpose of this Agreement in regard to Phase IIIB-Development is to evidence that the Master Developer has site control of the Phase IIIB-Development Site and to establish the terms of disposition thereof.

EXHIBIT P

Form of

Public Improvement Agreement dated [_____], 2021 between
Hunters Point Affordable Housing, Inc., a California nonprofit public benefit corporation,
and the City and County of San Francisco

RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:

Attn: Director of Property
Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102

No fee for recording pursuant to Government
Code Section 27383

APN:

[Space Above for Recorder's Use]

**HUNTERS VIEW PHASE III
PUBLIC IMPROVEMENT AGREEMENT**

This HUNTERS VIEW PHASE III PUBLIC IMPROVEMENT AGREEMENT (this “**Agreement**”) is entered into as of _____, 2021 (the “**Effective Date**”), by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation of the State of California (the “**City**”), and Hunters Point Affordable Housing, Inc., a California nonprofit public benefit corporation (“**HPAH**” or “**Subdivider**”).

RECITALS

A. Except as specifically defined herein, capitalized terms shall have the meanings given in (i) the San Francisco Subdivision Code and Subdivision Regulations (the “**Code**”), (ii) the Hunters View Design for Development Document (the “**D for D**”) and (iii) the Plans and Specifications (as defined below).

B. Whereas, pursuant to the Development and Disposition Agreement, by and between the Housing Authority of the City and County of San Francisco, a public body corporate and politic (“**SFHA**”), and Hunters View Associates, LP, a California limited partnership (“**HVA**”) dated January 28, 2021 (the “**Phase III DDA**”), SFHA has transferred all the responsibilities, obligations and liabilities for the construction of the Phase III Required Infrastructure (as defined below) on the land shown on Final Map Tract No. 9677 (the “**Final Map**”) to HVA as “Master Developer”, and has authorized HVA to be its representative.

C. Whereas, HPAH is the co-general partner of HVA and is the designated Subdivider under this Agreement, and pursuant to the terms of this Agreement, the Subdivider may assign to HVA and/or HV Partners 3, LP, a California limited partnership, (“**HVP3**”) the Subdivider’s obligations under this Agreement, provided that Subdivider, HVA and/or HVP3, as the case may be, shall be jointly and severally liable for the Subdivider’s obligations following such assignment.

D. Whereas, San Francisco Public Works (“**PW**”) acknowledges that as described above in Recital B, SFHA has transferred all of the responsibilities, obligations and liabilities for the construction of the Phase III Required Infrastructure from SFHA to HVA, HVP3 or their assignees and has authorized HVA, HVP3 or their assignees to be its representative.

E. Whereas, Owner (as defined below) is engaged in subdividing, and Subdivider and its affiliates are developing the land shown on the Final Map commonly known as Assessor's Block 4624, Lots 32 (the "**Property**"). A tentative map, entitled "Hunters View Phase III Tentative Subdivision Map" (the "**Tentative Map**"), for the proposed subdivision of the Property was approved by the PW Director, acting as the Advisory Agency (the "**Director**" or "**PW Director**"), subject to certain requirements and conditions contained in the section titled "Conditions" in the Director's Public Works Order No. 203737 regarding the Tentative Map application (the "**Conditions of Approval**").

F. Whereas, pursuant to the Code relating to the filing, approval, and recordation of subdivision maps and the Conditions of Approval, Owner submitted to the City, for approval and recordation, the Final Map which, upon approval by the City, will be filed in the Official Records of the City and County of San Francisco.

G. Whereas, Owner and Subdivider have requested that the Final Map be approved prior to the completion of construction and installation of the public improvements required by the Conditions of Approval of the Tentative Map and which are part of or appurtenant to the Property. Such public improvements are more particularly described in those certain improvement plans identified in Exhibit A-1 (as such plans may be revised from time to time, the "**Plans and Specifications**"). The Plans and Specifications provide for the construction, installation and completion of the public improvements identified therein (the "**Phase III Required Infrastructure**"), and include the specifications and details of such public improvements. The term "Phase III Required Infrastructure" also includes any interim or temporary facilities, if any, shown on the Plans and Specifications, and the Middle Point Repairs (as defined below in Recital D). The estimated costs of completing the Phase III Required Infrastructure are described on Exhibit B (the "**Estimated Costs**"). Copies of the Plans and Specifications are on file with the PW.

H. Whereas, the Code provides that before a final subdivision map or parcel map is approved by the City, Subdivider shall have either (i) installed and completed all of the public improvements required by the City and detailed in the plans and specifications approved by the Director, or (ii) entered into an agreement (the "**Public Improvement Agreement**" or "**PIA**") with the City to install and complete, free of liens, all of such public improvements within a definite period of time and provided improvement securities to secure satisfactory performance of such agreement.

I. Whereas, the parties had previously entered into that certain Hunters View Phase II Public Improvement Agreement dated October 27, 2014, for the construction, installation and completion of the Phase II Required Infrastructure (as defined therein); however, Subdivider has requested and the City has agreed to defer a portion of the Phase II Required Infrastructure relating to (i) the eastern curb ramps at Middle Point Road and Fairfax Avenue Intersection, (ii) the Middle Point Road concrete pavement from lip of gutter to lip of gutter from station 62+18.50 to 65+12, and (iii) eastern curb ramps at Middle Point Road and Hare Street, and concrete pavement, curb and gutter between Hare Street and Innes Avenue, all as more specifically provided in Instructional Bulletin – IB-15 dated October 15, 2020, and shown on Sheets 32, 33, 37, 39 and 40 of the "Hunters View Development Project, Phase II Infrastructure" Improvement Plans and Specifications dated September 5, 2014 (collectively, "**Middle Point Repairs**"), to be constructed, installed and completed concurrent with the construction and installation of the Phase III Required

Infrastructure. The Middle Point Repairs are more particularly described on Sheets 34-45 in the Plans and Specifications.

J. Whereas, in order to permit the approval and recordation of the Final Map by the City (including the dedications contained therein), to implement the Conditions of Approval, and to simultaneously satisfy the security provisions of the Code, the City and Subdivider desire to enter into this Agreement.

AGREEMENT

NOW THEREFORE, in order to ensure satisfactory performance of Subdivider's obligations under the Code, and in consideration of the approval and recordation by the City of the Final Map (including the dedications contained therein), and to implement the Conditions of Approval, and other valuable consideration, Subdivider and the City agree as follows:

1. Definitions.

(a) SFHA means the Housing Authority of the City and County of San Francisco, a public body corporate and politic, who is the Fee Title holder of interest of the Property and signatory to the Final Map.

(b) Owner means SFHA.

(c) HVA means Hunters View Associates, L.P.

(d) HVP3 means HV Partners 3, LP.

(e) HPAH means Hunters Point Affordable Housing, Inc.

(f) Subdivider means HPAH.

(g) General Contractor means Cahill-Nibbi Joint Venture.

(h) Progress Payment means a payment made in compliance with the schedule of partial payment agreed upon in the contract for the work.

2. Subdivider's Obligations.

(a) Completion of Phase III Required Infrastructure; Completion of Middle Point Repairs. Subdivider shall, in good and workmanlike manner, furnish all necessary materials and complete construction of the Phase III Required Infrastructure, including the Middle Point Repairs, as set forth in Exhibit A-1 in accordance with the performance schedule(s) set forth in Exhibit A-2 provided, however, that the periods of time provided in this condition may be extended in accordance with Section 4(b) hereof.

(b) Delivery of As-Built Plans. Within three (3) months after Completion of the Phase III Required Infrastructure, or portion thereof, Subdivider shall furnish to PW and, if requested, the City Department of Building Inspection, as-built plans for such Phase III Required

Infrastructure, or portion thereof, in both electronic (in a reasonably current version of AutoCAD) and Mylar formats and any reports required in connection with such Phase III Required Infrastructure, or portion thereof, by the Plans and Specifications.

(c) Assignment of Subdivider's Obligations. Subdivider may assign to HVA and/or HVP3 the Subdivider's Obligations, which shall be in writing and clearly identify the scope of the rights and/or obligations assigned. Following any such assignment, Subdivider, HVA and/or HVP3, as the case may be, shall be jointly and severally liable for any and all of the Subdivider's Obligations.

3. Improvement Security.

(a) Security. Subject to Subdivider being a nonprofit corporation in the State of California, City agrees that Subdivider, as an eligible nonprofit corporation under Section 66499.3(c) of the Government Code, shall not be required to comply with the bonding requirements set forth in Section 66499.3(a) and (b) provided the following conditions are satisfied:

(i) Subdivider shall post with the City a performance bond that secures its faithful performance in an amount equal to 100 percent of the construction contract attached hereto as Exhibit C-1 (the "**Performance Bond**"), a payment bond required to secure the labor and materials in an amount equal to 100 percent of the construction contract for the payment of labor and materials attached hereto as Exhibit C-2 (the "**Labor and Materials Bond**"), and further a bond required to secure the survey monuments to be installed attached hereto as Exhibit C-3 (the "**Monument Bond**," and together with the Labor and Materials Bond and Performance Bond, the "**Bonds**"). The Bonds under this Section 3(a)(i), or other security deemed acceptable to the City in accordance with California Government Code Sections 66499 et seq., shall be provided to the City prior to the issuance of any Street Improvement Permit by the City. Any assignee of Subdivider shall be a co-obligee on the Bonds. The San Francisco Mayor's Office of Housing and Community Development ("**MOHCD**") shall be designated as the depository under Section 66499.3(c)(2) for moneys ultimately payable to the general contractor in the form of progress payments. The required Bonds, in the amounts that the City Engineer has certified, shall be as follows:

(A) Performance bonds in the amount of \$8,710,800 (100% of estimated cost of completion of the construction and installation of the Phase III Required Infrastructure as determined by the PW Director) to secure the satisfactory performance of Subdivider's obligations (Exhibit C-1); and

(B) A payment bond or other acceptable security in the amount of \$4,355,400 (50% of the estimated cost of completion of the Phase III Required Infrastructure as determined by the PW Director) as guarantee of payment for the labor, materials, equipment, and services required for Required Infrastructure (Exhibit C-2).

(C) Monument bonds in the total amount of \$37,500 for each of the 35 monuments to be installed, representing 100% of the cost of installation of the monuments

in as guarantee of payment for the labor, materials, equipment, and services required for the required monuments (Exhibit C-3).

(ii) All progress payments to the general contractor shall be conditioned on (i) the general contractor's certification to Subdivider that all labor performed in the work, and all materials furnished to and installed in the work, have been paid for in full to the date of certification, (ii) the written approval of Subdivider, and (iii) review and approval of progress payment billings by City. Subdivider shall require the general contractor to deliver all such certifications through the United States mail.

(iii) Final payment to the general contractor shall not be made until 30 days have expired after the filing and recording of the Notice of Completion of the work and acceptance of the work by, and a waiver of lien rights provided by the general contractor to, City in accordance with Section 6(a).

(b) Other Acceptable Security. In lieu of providing any of the security described in Section 3(a)(i) above, Subdivider may, subject to the approval of the Director, provide other security as described in Section 66499 of the Government Code. The Director has entered into a Memorandum of Agreement (“**MOA**”) with MOHCD that commits MOHCD to provide at least 20% of the financing for the Subdivider's Obligations. The Director determines that the MOA provides the equivalent security to that of Government Code Section 66499(a)(3) because both departments are constituent parts of the City and County of San Francisco, and therefore, such a MOA is acceptable security in lieu of an actual instrument of credit. A copy of this MOA is attached hereto as Exhibit C-4. When the Subdivider posts the security specified in Section 3(a)(i) with the City and copies of such bonds made part of this Agreement, the MOA shall automatically terminate and there shall be no requirement to amend this Agreement to reflect the change in security from that provided under this Section 3(b) to the bonds specified in Section 3(a)(i). Any security provided under Section 3(a)(i) or Section 3(b) shall be referred to collectively as the “**Security**”.

4. Construction of Phase III Required Infrastructure.

(a) Permits and Fees. Subdivider shall not allow the performance of any work subject to this Agreement until all required permits have been obtained for the portion of work involved, and all applicable fees, including inspection and testing fees, have been paid.

Prior to the approval of the Final Map, and as requested by the City, Subdivider shall arrange for all easements to be granted to the City to allow for construction of the required public improvements on the Property and provide irrevocable Offers of Dedication in Fee Title of the portions of the Property where said public improvements will be constructed and used as future public right-of-way. The PW Director, in his or her discretion, may allow the Subdivider to defer this requirement until prior to approval of an improvement permit or to a later specified date. The PW Director shall issue such deferral in writing.

(b) Extensions.

(i) Requested Extensions. Subdivider may request extensions of the time periods specified in Section 2(a) by submission of a request(s) to the Director. A request shall

be in writing, state adequate evidence to justify the extension, and shall be made not less than thirty (30) days prior to expiration of this Agreement. The Director shall in good faith attempt to determine within such time whether an extension of time shall be granted. The Director's failure to respond within the time specified shall, however, not constitute either a grant or denial of the requested extension. The periods of time for performance under this Agreement shall be automatically extended for the period during which a request for an extension is pending a determination by the Director. The Director shall not unreasonably withhold, condition or delay a request for an extension. The Director may reasonably condition an extension subject to the terms of this Agreement and the conditions provided in the Code, including execution of an Extension Agreement.

(ii) Permit Processing. The periods of time for performance under this Agreement shall be extended for Unavoidable Delay as determined in Section 4(b)(iii) for the period of time associated with permit processing, including, without limitation, permit processing by and obtaining permits and approvals from all agencies with jurisdiction over the Phase III Required Infrastructure.

(iii) Unavoidable Delay. The periods of time for performance under this agreement shall be automatically extended for Unavoidable Delay which is a delay in a Party's performance of its obligations hereunder that is caused by (a) acts of God, enemy action, civil commotion, fire, flood, earthquake or other casualty, (b) strikes or other labor disputes (to the extent not resulting from the labor practices of the Party claiming the benefit of Unavoidable Delay), (c) material shortages of or inability to obtain labor or materials beyond the reasonable control of the Party claiming the benefit of Unavoidable Delay, (d) lawsuits brought by plaintiffs unaffiliated with the Party claiming the benefit of Unavoidable Delay, (e) delays by governmental or quasi-governmental entities in issuing requisite approvals or consents beyond the reasonable control of the Party claiming the benefit of Unavoidable Delay, including without limitation failure of the City to respond to Subdivider's submissions within the time periods set forth in this Agreement, (f) quarantine or other restrictions on operations or activities as a result of epidemic, disease, contagion or other health conditions, including the COVID-19 pandemic in effect as of the Effective Date and any subsequent force majeure events caused by or resulting from such COVID-19 pandemic, including measures taking by any governmental authority that prohibits or makes it reasonably impractical for a party to perform any obligation hereunder or for any governmental body or authority to conduct any operations or work necessary to permit a party to perform its obligations hereunder, or (g) any other event beyond the reasonable control of the Party claiming the benefit of Unavoidable Delay. Delays beyond a Party's reasonable control exclude delays to the extent caused by the negligent act or omission or willful misconduct of the Party claiming the benefit of Unavoidable Delay. This Unavoidable Delay provision shall not apply, however, unless (g) the party seeking to rely upon such provisions shall have given notice to the other party, within thirty (30) days after obtaining actual knowledge of the beginning of an enforced delay, of such delay and the cause or causes thereof, to the extent known, and (h) a party claiming the Unavoidable Delay must at all times be acting diligently and in good faith to avoid foreseeable delays in performance, to remove the cause of the delay or to develop a reasonable alternative means of performance.

(iv) Extensions Generally. The provisions in this Section 4(b) are in addition to and not a limitation of any other provision for extensions in this Agreement or in the

Plans and Specifications. No extension approved hereunder shall relieve the surety's liability under the Security.

(c) Revisions to Plans and Specifications. Requests by Subdivider or its agent for revisions, modifications or amendments to the approved Plans and Specifications (each, a "Plan Revision") shall be submitted in writing to the Director (or the Director's designee). If the Plan Revision is acceptable to the Director (or the Director's designee), the Director (or the Director's designee) shall approve proposed Plan Revisions which are substantially consistent with the Plans and Specifications and the Final Map. Construction of any proposed Plan Revision shall not commence without prior approval pursuant to this Section 4(c). Construction of any Plan Revision prior to approval shall be at the Subdivider's risk. Plan Revisions shall be accompanied by drawings and specifications and other related documents showing the proposed Plan Revision so as to adequately describe the proposed change and the cost and effect thereof.

(d) Subdivider shall, at no cost to the City, cause all new or replacement electricity distribution facilities, telephone, community cable, and other distribution facilities located as part of the work in Exhibit A-1 to be placed underground. The Plans and Specifications must demonstrate that underground utilities and structures are designed to accommodate future settlement. All utilities, vaults, splice boxes and appurtenances shall be placed underground, subject to approval of the Director.

5. Release of Security. The Security, or any portions thereof, not required to secure completion of Subdivider's obligation for construction or installation of the Phase III Required Infrastructure; to satisfy claims by contractors, subcontractors, and/or persons furnishing materials or equipment; or for setting monuments, set forth on the Final Map, shall be released to the general contractor, or its successors in interest, or reduced, as follows:

(a) Release of Security.

One Year Warranty Bond. Upon the Director's determination of completion of the Phase III Required Infrastructure in accordance with Section 6(a), the Security shall be reduced to ten percent (10%) of the original amount for the purpose of warranting repair of any defect of the Phase III Required Infrastructure which occurs within one year of when: (i) the Phase III Required Infrastructure (or portion thereof), and specifically including each of the respective Phase III Required Infrastructure described on Exhibit A-1 has been completed to the satisfaction of the Director in accordance with Section 6(a) below and provided that the one year warranty period for plant materials, and trees shall commence after the Director receives certification from the City Construction Manager that the plant materials and trees have passed a plant establishment period as set forth in the Plans and Specifications, and (ii) the Clerk of the Board of Supervisors (or the Clerk's designee) certifies that no claims by any contractor, subcontractor or person furnishing labor, materials or equipment for the Phase III Required Infrastructure have been filed against the City within the one hundred (100) day period following completion of the Phase III Required Infrastructure as determined upon review by the Director in accordance with Section 6(a). If any claims by any contractor, subcontractor or person furnishing labor, materials or equipment to the Subdivider have been filed against the City, then the Security applicable to such Phase III Required Infrastructure shall be reduced to an amount equal to the greater of (i) the amount of all such claims filed or (ii) ten percent (10%) of the original amount.

(i) Partial Release of Security. Notwithstanding the release provisions in Section 5(a), the Security may be reduced in conjunction with completion of any portion of the Phase III Required Infrastructure to the satisfaction of the Director and may be reduced in connection and conjunction with completion of each of the respective Phase III Required Infrastructure separately described on Exhibit A-1 upon review in accordance with Section 6(a) hereof, by an amount determined by the Director that is not less than the actual cost of the completed portion of the Phase III Required Infrastructure. In no event, however, shall the amount of the Security be reduced below the greater of (i) the amount required to guarantee the completion of the remaining portion of the Phase III Required Infrastructure and any other obligation imposed by the Subdivision Map Act, the Code, this Agreement, the Street Improvement Permit or any other agreement relating to the completion of the Phase III Required Infrastructure or (ii) ten percent (10%) of the original amount of the Security.

(ii) Release of Remaining Security. The remaining Security shall be released when all of the following have occurred:

(A) One (1) year following the date of Acceptance (as defined in Section 6(b)) of the Phase III Required Infrastructure, or portion thereof, by the Board of Supervisors, or, with respect to street trees and park trees one year after the commencement of the warranty period as described in Section 8(a), or, with respect to any specific claim of defects or deficiency in the Phase III Required Infrastructure, one (1) year following the date that any such deficiency which the Director identified in the Phase III Required Infrastructure in accordance with Section 4(a) has been corrected or waived in writing; and

(B) the Clerk of the Board of Supervisors (or the Clerk's designee) certifies that no claims by any contractor, subcontractor or person furnishing labor, materials or equipment for the Phase III Required Infrastructure have been filed against the City, all such claims have been satisfied, withdrawn, or otherwise secured by bond or other security approved by the Director (or the Director's designee).

6. Completion and Acceptance.

(a) Director's Inspection. No sooner than ninety (90) days prior to the date that Subdivider intends to request the Director issue a Notice of Completion, Subdivider shall make a written request to the Director of the Subdivider's intent to initiate the Notice of Completion process ("**Letter of Intent to Request Notice of Completion**"). Upon written request from the Subdivider for a "**Notice of Completion**" as defined in the Code, accompanied with any and all materials that are required as listed in Exhibit E related to the Notice of Completion, the Director shall initiate the inspection. If the Subdivider fails to submit a Letter of Intent to Request Notice of Completion, the Director need not consider the Subdivider's request for the Director's issuance of a Notice of Completion until such a Letter of Intent to Request Notice of Completion is submitted to the Director and ninety (90) days have passed from the submission of the Letter; provided, however, that the Director, in his or her discretion, may agree in writing to a period of less than ninety (90) days from receipt of the Letter to consider issuance of a Notice of Completion. If the Director determines that the Phase III Required Infrastructure has not been completed or does not satisfy the above requirements, Director shall notify Subdivider of such determination

together with a statement setting forth with particularity the basis for that determination. If the Director determines that the Phase III Required Infrastructure has been completed and meets the above requirements, the Director shall issue the Notice of Completion.

(b) Acceptance. “**Acceptance**” by the City of the Phase III Required Infrastructure, or portion thereof, for public use and maintenance shall be deemed to have occurred when:

(i) The Director has issued a Notice of Completion for the Phase III Required Infrastructure, or portion thereof, in accordance with Section 6(a);

(ii) The Subdivider submits all the documents required pursuant to Exhibit F to the Director to initiate acceptance legislation or other appropriate action, before the Board of Supervisors as appropriate; and

(iii) The Board of Supervisors by ordinance or other appropriate action accepts the Phase III Required Infrastructure, or portion thereof; for public use and maintenance, in accordance with the provisions of San Francisco Administrative Code Section 1.52 and Subdivider’s maintenance and warranty obligations under Sections 7 and 8(a), respectively hereof.

(c) Offers of Dedication. The owners’ statements of the Final Map include or shall include to the extent applicable certain irrevocable offers of dedication of improvements, easements shown only on the map, easements by agreement, and real property in fee simple. In addition, the offers of dedication of improvements shall be made by separate instrument(s); the offers of dedication of real property in fee simple shall be made by separate instrument(s) and separate quitclaim deed(s); and the offers of dedication of easements shall be made by separate instrument(s). The Board of Supervisors shall accept, conditionally accept or reject such offers. The City, at its discretion, may accept these easements at its convenience through formal action of the Board of Supervisors or as otherwise provided in local law. The Board of Supervisors shall also by ordinance accept, conditionally accept, or reject for public right of way and utility purposes the lots designated for public streets and the Phase III Required Infrastructure (or portions thereof) in accordance with Section 6(b). The Final Map includes certain offers of dedication as more particularly set forth therein. Upon the Director’s issuance of a Notice of Completion for the Phase III Required Infrastructure, or portion thereof, in accordance with Section 6(a) of this Agreement, the Board of Supervisors shall by ordinance or other appropriate action accept, conditionally accept, or reject such offers. Subdivider will coordinate with the City and assist in the City’s process for dedication and Acceptance of Phase III Required Infrastructure by (i) providing necessary deeds, maps, legal descriptions and plats for street openings, easements and/or dedications for right of way or utility purposes and for relinquishment of existing rights of access and utilities associated with on-site and off-site development; (ii) executing easement agreements consistent with the Conditions of Approval for the Tentative Map; and (iii) providing easement agreement documents consistent with the Conditions of Approval of the Tentative Map and the completion and Acceptance of the Phase III Required Infrastructure as follows: easements for emergency vehicle access and emergency exiting, private easements for those uses described in the master declarations and the declaration of restrictions, and public service easements for access by the City and for public utilities.

(d) No Acceptance of Interim or Temporary Facilities. The City shall not be obligated to accept or maintain any Interim or Temporary Facilities shown on the Plans and Specifications for the Phase III Required Infrastructure. Parties acknowledge that Subdivider shall continue to maintain all Interim or Temporary Facilities until such time as the final Public Infrastructure that will replace the need for the Interim or Temporary Facilities as determined by the Director is completed unless the parties, by mutual written instrument and any necessary City Approvals, agree otherwise.

(e) Termination of Existing Access and Utility Easements. Existing access and utility easements in any proposed right of way areas that are included as part of the Phase III Required Infrastructure shall be terminated, quitclaimed, vacated or relinquished, in whole or in part, in accordance with the terms of such easements upon: (1) the provision of alternative facilities; (2) the determination by the Director that such utility or access rights are no longer required; or (3) the City's Acceptance of dedicated public streets and associated utility facilities. The City shall not be obligated to accept any such right of way area unless and until any easements that could interfere or conflict with such facilities have been addressed to the City's satisfaction.

7. Maintenance of Phase III Required Infrastructure.

(a) Maintenance Prior to Acceptance. Prior to Acceptance, Subdivider shall be responsible for the maintenance and repair of the Phase III Required Infrastructure.

(b) Maintenance Following Acceptance. Following Acceptance, the City shall assume the responsibility of operating and maintaining the Phase III Required Infrastructure, or portion thereof subject to the limitations in Section 6(b)(iii) above, and Subdivider's obligations under Section 8(a) of this Agreement. The City shall have no obligation to accept or maintain any Interim or Temporary Facilities.

8. Warranty and Indemnity.

(a) Warranty. Acceptance of Phase III Required Infrastructure, or portion thereof, by the City shall not constitute a waiver of defects by the City. Subdivider covenants that all Phase III Required Infrastructure constructed or installed by Subdivider shall be free from defects in material or workmanship and shall perform satisfactorily for a period of one (1) year following the completion of the Phase III Required Infrastructure (or portion thereof), except that the Warranty period for the plant materials and trees planted pursuant to the Phase III Required Infrastructure shall not commence until the Director receives a certification from the City's Construction Manager that the trees have passed a plant establishment period set in accordance with the Plans and Specifications (the "**Warranty Period**"). During the Warranty Period, Subdivider shall, as necessary, and upon receipt of a request in writing from the Director that the work be done, correct, repair or replace any defects in the Phase III Required Infrastructure at its own expense. During the Warranty Period, should Subdivider fail to act with reasonable promptness to make such correction, repair or replacement, or should an emergency require that correction, repair or replacement be made before Subdivider can be notified (or prior to Subdivider's ability to respond after notice), City may, at its option, provided that notice thereof is provided to Subdivider, make the necessary correction, repair or replacement or otherwise perform the necessary work and Subdivider shall reimburse the City for the actual cost thereof.

During the Warranty Period, the City shall hold Subdivider's reduced performance bond (or separate warranty bond in the same amount) as described in Section 5, to secure performance of Subdivider's foregoing warranty obligations.

(b) Indemnity. Subdivider, its successors and assigns shall indemnify, defend and hold the City and each of the City's Agencies harmless for, from and against any and all Losses arising out of the breach of this Agreement by the Subdivider, the Subdivider's or any of its contractors', agents', consultants' or representatives' negligent or defective construction of the Phase III Required Infrastructure, constructed or installed by the Subdivider under this Agreement, the Subdivider's nonpayment under contracts between the Subdivider and its consultants, engineers, advisors, contractors, subcontractors or suppliers in the provision of such Phase III Required Infrastructure, or any claims of persons employed by the Subdivider or its contractors, agents, consultants or representatives to construct such Phase III Required Infrastructure, all subject to the terms, conditions, and exceptions of the Phase III DDA, provided, however, that Subdivider's obligations to indemnify, defend and hold the City harmless shall not extend to any claims to the extent arising out of or relating to the negligence or willful misconduct of the City or its agents, and further provided that any demand for indemnification hereunder with respect to negligent or defective construction must be brought, if at all, within one (1) year after the related Phase III Required Infrastructure, or portion therefore, is determined to be complete by the Director in accordance with Section 6(a) hereof. The City shall not be an insurer or surety for the design or construction of the Phase III Required Infrastructure pursuant to the Plans and Specifications, nor shall any officer or employee thereof be liable or responsible for any accident, loss, or damage happening or occurring during the construction of the Phase III Required Infrastructure as specified in this Agreement, except as may arise due to the negligence or willful acts or omissions of the City.

9. Other Items.

(a) Private Roadway Funding Mechanisms. All private roadways shown on the Final Map shall be constructed by the Subdivider or its affiliate.

10. Miscellaneous.

(a) Final Map Recordation. The City, in accordance with the Code, shall record the Final Map with the County Recorder in the Official Records of the City and County of San Francisco. The City shall notify Subdivider and Owner of the time of recordation of the Final Map. In the event the Final Map is not recorded, this Agreement shall be null and void.

(b) Independent Contractor. In performing its obligations under this Agreement, Subdivider is not an agent or employee of the City.

(c) Notices.

(i) A notice or communication under this Agreement by any party to the other (or by or to the Director) shall be sufficiently given or delivered if dispatched by hand or by registered or certified mail, postage prepaid, addressed as follows:

In the case of a notice or communication to the City or the Director:

Director of Public Works
City and County of San Francisco
49 South Van Ness Avenue
San Francisco, CA 94103
Attn: Infrastructure Task Force Manager
Telefacsimile: (415) 581-2569

With copies to:

Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Land Use Team
Reference: Hunters View Phase III Project
Telefacsimile: (415) 554-4757

And in the case of a notice or communication to Subdivider at:

Hunters Point Affordable Housing, Inc.
c/o John Stewart Company
1388 Sutter Street, 11th Floor
San Francisco, CA 94109
Attn: Jack D. Gardner
Telefacsimile: (415) 614-9175

With copies to:

Lubin Olson & Niewiadomski LLP
600 Montgomery Street, 14th Floor
San Francisco, CA 94111
Attn: Charles R. Olson, Esq.
Telefacsimile: (415) 981-4343

HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO
1815 Egbert Avenue
San Francisco, CA 94124
Attn: Executive Director
Telefacsimile: (415) 715-3211

For the convenience of the parties, copies of notice may also be given by telefacsimile.

Every notice given to a party hereto, pursuant to the terms of this Agreement, must state (or must be accompanied by a cover letter that states) substantially the following:

(A) the section of this Agreement pursuant to which the notice is given and the action or response required, if any;

(B) if applicable, the period of time within which the recipient of the notice must respond thereto;

(C) if approval is being requested, shall be clearly marked “Request for Approval under the Hunters View Phase III Public Improvement Agreement”; and

(D) if a notice of disapproval or an objection which requires reasonableness, shall specify with particularity the reasons therefor.

(ii) Any mailing address or telefacsimile number may be changed at any time by giving written notice of such change in the manner provided above at least ten (10) days prior to the effective date of the change. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal receipt actually occurs or, if mailed, on the delivery date or attempted delivery date shown on the return receipt. A party may not give official or binding notice by telefacsimile.

(iii) Any notice or request for review, consent or other determination or action by the Director that could be subject to deemed approval under any provision of this Agreement shall display prominently on the envelope enclosing such request (if any) and the first page of such request, substantially the following words: “HUNTERS VIEW INFRASTRUCTURE: IMMEDIATE ATTENTION REQUIRED; FAILURE TO RESPOND COULD RESULT IN THE REQUEST BEING DEEMED APPROVED.”

(d) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto, and upon such transfer, Owner or Subdivider shall be released from its obligations hereunder upon providing written evidence of a proper Assignment and Assumption Agreement. Any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned and shall be subject to the reasonable approval of the Director.

(e) Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party’s right to insist upon and demand strict compliance by the other party with the terms of this Agreement thereafter.

(f) Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the parties hereto any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions or stipulations hereof; and all covenants, conditions, promises, and agreements in this Agreement contained by or on behalf of the City or Subdivider shall be for the sole and exclusive benefit of such parties.

(g) Amendment. This Agreement may be amended, from time to time, by written supplement or amendment hereto and executed by the City and Subdivider. The Director is authorized to approve and execute on behalf of the City any amendment that the Director

determines is in the City's best interests and does not materially increase the City's obligations or materially diminish the City's rights under this Agreement.

(h) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

(i) Interpretation of Agreement. Unless otherwise provided in this Agreement, whenever approval, consent or satisfaction is required of Subdivider or the City pursuant to this Agreement, it shall not be unreasonably withheld or delayed. Captions used in this Agreement are for convenience or reference only and shall not affect the Interpretation or meaning of this Agreement. This Agreement shall in no way be construed to limit or replace any other obligations or liabilities which the parties may have under the Plans and Specifications, any permit to enter, Street Improvement Permit or any other agreement entered into in accordance therewith.

11. Insurance. At all times prior to Acceptance of the Phase III Required Infrastructure, Subdivider shall comply with the insurance requirements as required by applicable City regulations. Subdivider shall furnish to the City, from time to time upon request by the City's Risk Manager, a certificate of insurance (and/or, upon request by the City's Risk Manager, a complete copy of any policy) regarding each insurance policy required to be maintained by Subdivider as by the City.

12. Recording.

(a) Recording Agreement. The parties to this Agreement acknowledge that this Agreement shall be recorded against the title of the Property.

(b) Purpose and Effect of Recording. This Agreement shall be recorded for the purpose of providing constructive notice to any future owner of the Property of Subdivider's obligations and responsibilities under Section 2. This Agreement shall not be interpreted as creating a lien or security interest against any parcel against which it is recorded, or to effect any secured interest now or in the future, as the obligations hereunder are personal to Subdivider and its successors and assigns as may be authorized pursuant to Sections 2(c) and 10(d).

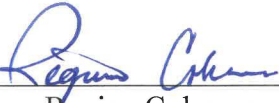
(c) Notice of Termination. At the time all the obligations and requirements specified in this Agreement are fully satisfied as determined by the Director in consultation with affected City departments, the parties shall record a Notice of Termination, the form of which is contained in Exhibit G. Alternatively, Subdivider may request the Director's authorization to record a Notice of Termination with respect to an individual parcel. In evaluating such a request, approval of which shall be in the Director's reasonable discretion, the Director shall consider with respect to Phase III Required Infrastructure necessary to serve the parcel, whether: (i) all Phase III Required Infrastructure has been completed and accepted by the City, as applicable; (ii) all corresponding bond amounts have been released; (iii) all defects and punch list items have been addressed; and (iv) all warranty and guarantee periods have terminated.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, Subdivider and the City have executed this Agreement as of the Effective Date.

Subdivider:

HUNTERS POINT AFFORDABLE HOUSING, INC.,
A California nonprofit public benefit corporation

By:  _____
Regina Coleman
Its President

City:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation of the State of California

Approved as to Form:

By: _____
Name: _____
Title: Deputy City Attorney

By: _____
Name: _____
Title: Director of Public Works

HUNTERS POINT AFFORDABLE HOUSING, INC. ACKNOWLEDGEMENT

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

State of California
County of San Francisco

On April 29, 2021 before me, Linda Daggs
(here insert name and title of officer), personally appeared Regina Coleman, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: Linda M Daggs (seal)



LIST OF EXHIBITS

Exhibit A-1 – Plans and Specifications

Exhibit A-2 – Performance Schedule

Exhibit B – Estimated Costs

Exhibit C-1 – Performance Bond

Exhibit C-2 – Labor and Materials Bond

Exhibit C-3 – Monument Bond

Exhibit C-4 – Memorandum of Agreement between MOHCD and Public Works Regarding Security

Exhibit D – Reserved

Exhibit E – List of Documents Required by City in Order to Issue a Notice of Completion

Exhibit F – List of Documents Required by the City in Order to Make a Request for Acceptance

Exhibit G – Form of Notice of Termination

EXHIBIT A-1

Plans and Specifications

1. Permanent Improvements included in Improvement Plans and Specifications prepared by Carlile Macy entitled “Hunters View Development Project, Phase III Infrastructure,” Permit Number 21IE-00193, dated April 23, 2021 and approved by or on behalf of the Director, on April 23, 2021.

EXHIBIT A-2

Performance Schedule

ACTION	DATE
1. Issue Notice to Proceed for Phase III Required Infrastructure Improvements.	No later than September 1, 2021
2. Complete Phase III Required Infrastructure Improvements including As-Built Drawings and secure the Notice of Completion from the Department of Public Works.	No later than November 30, 2023
3. Dedicate Phase III Public Right of Way Improvements to the City of San Francisco.	No later than two months after the Board of Supervisors' Acceptance of Improvements is received.

EXHIBIT B

Estimated Costs

See attached schedule of values.

Hunter View - Phase 3
Sample Cost Estimate
Engineer's Construction Cost Estimate
Based on on 100% Improvement Plans Dated 4-8-21
May 3, 2021

Item	Description	Quantity	Unit	Unit Price	Amount	Totals
A) <u>Earthwork</u>						
1	Clear & Grub	1	LS	200,000.00	200,000	
2	Demolition	1	LS	500,000.00	500,000	
3	Cut	9,578	CY	15.00	143,670	
4	Fill	9,578	CY	15.00	143,670	
Subtotal						\$987,340
B) <u>Street Work & Miscellaneous</u>						
5	0.67 ft. Concrete Paving	45,414	SF	13.00	590,382	
6	0.5 ft. Class II Aggregate Base	33,178	SF	6.00	199,068	
7	0.166 ft. ACWS	33,178	SF	4.00	132,712	
8	Edge Grind AC (10 ft. wide)	524	SF	50.00	26,200	
8	Std. Curb	2,538	LF	50.00	126,900	
10	Std. Gutter (24" Gutter)	2,563	LF	70.00	179,410	
10	Sidewalk & Driveway Apron	20,841	SF	8.00	166,728	
12	Handicap Ramps	18	EA	5,000.00	90,000	
13	Paving Markings	1	LS	15,000.00	15,000	
14	Monuments	5	EA	1,000.00	5,000	
15	Street Signs	34	EA	500.00	17,000	
16	Street Light-Pedestrian	25	EA	10,000.00	250,000	
15	Concrete Retaining Walls	172	LF	1,500.00	258,000	
17	Collapsible Bollards	4	EA	500.00	2,000	
18	Bus shelter	1	EA	15,000.00	15,000	
21	Temp. Tree Protection Fence	135	LF	5.00	675	
21	Fire Call Box	1	EA	10,000.00	10,000	
Subtotal						\$2,084,075

Hunter View - Phase 3
Sample Cost Estimate
Engineer's Construction Cost Estimate
Based on on 100% Improvement Plans Dated 4-8-21
May 3, 2021

Item	Description	Quantity	Unit	Unit Price	Amount	Totals
C) <u>Combined Sewer System</u>						
22	10" VCP Combined Sewer Main	97	LF	400.00	38,800	
23	12" VCP Combined Sewer Main	257	LF	450.00	115,650	
24	12" Private Combined Sewer Main	25	LF	450.00	11,250	
25	15" VCP Combined Sewer Main	553	LF	500.00	276,500	
26	48" CS Manholes	11	EA	22,000.00	242,000	
27	Sewer & Storm Drain Lateral	4	EA	5,000.00	20,000	
28	Sewer Lateral	4	EA	300.00	1,200	
Subtotal						\$705,400
D) <u>Storm Drainage</u>						
29	4" Perforated Pipe	3	LF	50.00	150	
30	8" Storm Drains	87	LF	100.00	8,700	
31	10" PVT Storm Drains	30	LF	110.00	3,300	
32	12" PVT Storm Drains	1,168	LF	115.00	134,320	
33	15" Storm Drains	110	LF	120.00	13,200	
34	Storm Drain Lateral	3	EA	5,000.00	15,000	
35	Catch Basin-SF STD	6	EA	8,000.00	48,000	
36	DI (24"x24")	3	EA	3,000.00	9,000	
37	DI w/ Sand Trap (24"x24")	7	EA	3,200.00	22,400	
38	FD (24"x24")	14	EA	3,000.00	42,000	
39	FD w/Sand trap (24"x24")	7	EA	3,200.00	22,400	
40	Storm Water Infiltration Basin (IB)	1	EA	250,000.00	250,000	
41	48" SD Manhole	3	EA	22,000.00	66,000	
42	Storm Drain Treatment Unit	1	EA	89,700.00	89,700	
43	Earth Swale	1,271	LF	5.00	6,355	
44	Fabric Lined Swale	445	LF	8.00	3,560	
45	Rock Lined Swale	1,178	LF	10.00	11,780	
Subtotal						\$745,865

Hunter View - Phase 3
Sample Cost Estimate
Engineer's Construction Cost Estimate
Based on on 100% Improvement Plans Dated 4-8-21
May 3, 2021

Item	Description	Quantity	Unit	Unit Price	Amount	Totals
E) <u>Water System</u>						
46	12" Low Point Water Main	883	LF	600.00	529,800	
47	8" Reclaimed Water	932	LF	400.00	372,800	
48	8" Gate Valves	3	EA	2,000.00	6,000	
49	12" Gate Valves	4	EA	3,000.00	12,000	
50	Fire Hydrant Assembly	4	EA	15,000.00	60,000	
51	8" Blowoff & Tie-in to Ex W	4	EA	3,000.00	12,000	
52	12" Blowoff & Tie-in to Ex W	6	EA	3,500.00	21,000	
53	2" Air Release Valve	9	EA	3,000.00	27,000	
54	1" Water Service	1	EA	2,000.00	2,000	
55	3" Water Service	7	EA	2,000.00	14,000	
56	3" Reclaimed Water Service	9	EA	2,000.00	18,000	
57	6" Fire Service	7	EA	6,000.00	42,000	
Subtotal						\$1,116,600
F) <u>Utilities</u>						
58	Joint Trench	2,108	LF	500.00	1,054,000	
59	Gas line	1,362	LF	200.00	272,400	
Subtotal						\$1,326,400
G) <u>Landscape & Irrigation</u>						
60	Landscape Pavers	11,518	SF	18.00	207,324	
61	Street trees	86	EA	1,000.00	86,000	
Subtotal						\$293,324
Total						\$7,259,004
20% Contingency						\$1,451,801
Grand Total						8,710,800

The above figures prepared by the Engineer are an OPINION OF PROBABLE COST of items, including labor and material costs, noted and are supplied as a guide only. The above figures are NOT a guarantee of maximum cost. The Engineer is not responsible for fluctuations in cost of materials or labor.

EXHIBIT C-1

Performance Bond

[To be added when the Subdivider posts such bond.]

Copies of such bond will be on file with San Francisco Public Works and/or Subdivider.]

EXHIBIT C-2

Labor and Materials Bond

[To be added when the Subdivider posts such bond.]

Copies of such bond will be on file with San Francisco Public Works and/or Subdivider.]

EXHIBIT C-3

Monument Bond

[To be added when the Subdivider posts such bond.]

Copies of such bond will be on file with San Francisco Public Works and/or Subdivider.]

EXHIBIT C-4

Mayor's Office of Housing and Community Development/Public Works

Memorandum of Agreement Concerning Improvement Security

MEMORANDUM OF AGREEMENT

(Hunters View Phase 3 Public Improvement Security)
(Exhibit C-4 to Public Improvement Agreement)

This Memorandum of Agreement ("**MOA**") is dated as of _____ by and between the Mayor's Office of Housing and Community Development ("**MOHCD**") and San Francisco Public Works ("**SFPW**"). MOHCD and SFPW are both departments of the City and County of San Francisco, a municipal corporation ("**City**").

RECITALS

A. In 2003, San Francisco Housing Authority ("**SFHA**") issued a Request for Qualifications for a developer to redevelop the Hunters View public housing site, which totaled 22.56-acres. In August 2005, SFHA selected the development team originally formed as Hunters View Community Partners, and now currently formed as Hunters View Associates, a California nonprofit public benefit corporation ("**Developer**"). Developer is comprised of the John Stewart Company ("**JSCo**"), Devine & Gong, Incorporated ("**DGI**"), and Hunters Point Affordable Housing, Inc., a California nonprofit public benefit corporation ("**HPAP**" or "**Subdivider**").

B. Hunters View is a public housing development owned by the San Francisco Housing Authority in the City and County of San Francisco, California, which originally consisted of 267 rental units and is undergoing a multiphase renovation to create a new viable mixed-finance project ("**Hunters View**"). In addition, Hunters View was the first project developed under the City and the SFHA under the City's HOPE SF Program ("**HOPE SF**"). HOPE SF is the nation's first large-scale community development and reparations initiative aimed at creating vibrant, inclusive, mixed-income communities without mass displacement of the original residents. The entire Hunters View development will consist of the demolition of the original 267 public housing apartment units on the property, and new construction of (a) 267 replacement public housing units, (b) up to an additional 533 mixed-income housing units, (c) off-street parking, new roadways, and sidewalks, (d) up to 6,500 square feet of neighborhood servicing retail space, and (d) up to 8,500 square feet of child care space, community parks, and landscaping.

C. Hunters View Phase 3 is 5.98-acres (260,489 square feet) (the "**Site**") within Hunters View. The Site is bordered to the south by residential homes on Innes Avenue, to the west by Middle Point Road, and to the north and east by PGE sites. Infrastructure improvements for Hunters View Phase 3 will support two new affordable buildings, Block 14 and Block 17 at the Site, as well as future market rate developments on Blocks 12, 13, 15, 16, and 18 adjacent to the Site. Blocks 14 and 17 will contain a total of 118 units of affordable housing, including 53 public housing replacement units. Block 14 and 17 will be situated on a new drive, currently named Hunters Point Drive. A garage entry to Block 14 will also be located on Hunters View Drive. No off-street parking will be provided at Block 17. The Site will also include a new 0.71-acre park, situated between Blocks 14 and 17.

D. In cooperation with SFHA and residents, MOHCD is leading the development and financing plan for the Site. In preparation for the development of new permanently affordable rental housing on the Site, MOHCD, SFPW and other City agencies are supporting subdivision actions for the Site. The Hunters View Phase 3 Final Subdivision Map (the “**Final Map**”) is anticipated to be reviewed by the San Francisco Board of Supervisors on May 11, 2021. Subdivider is a party to a Public Improvement Agreement with City (“**PIA**”) that will be approved and recorded concurrently with the Final Map. This MOA is an exhibit to the PIA and part of the PIA.

E. The Subdivision Map Act and the City’s 2015 Subdivision Regulations, Section 2.c require that security (performance bond or other acceptable security as provided in Section 66499 of the California Government Code) be posted at the time of Board of Supervisors’ approval of the Final Map to cover the cost of all required public improvements.

H. Subdivider is unable to provide a payment and performance bond until it has a contract with a general contractor (“**GC**”) to construct the Subdivider’s Obligations (as defined in the PIA) in late 2021. MOHCD and SFPW have agreed to the terms of this MOA in order to provide adequate security for City to approve the Final Map.

AGREEMENT

MOHCD and SFPW hereby agree as follows:

1. MOHCD Assurances. MOHCD has budgeted and allocated at least 20% of the costs of Subdivider’s Obligations, and will keep such funds allocated until Subdivider’s Obligations under the PIA are complete. If Subdivider fails to complete Subdivider’s Obligations or stops work on them and fails to cure after notice of default, MOHCD will terminate or modify the loan agreement with Subdivider that provides the funding for Subdivider’s Obligations, will keep such funds allocated to the Subdivider Obligations, and if needed, will transfer the remaining funds to the appropriate City department to complete the Subdivider’s Obligations.

2. Adequate Security. SFPW affirms that the provisions of this MOA provide assurances of security in accordance with California Government Code Section 66499(a)(3), and therefore it is acceptable security under California Government Code Section 66499(a)(5).

4. Term. This MOA shall be effective on the date that (a) it is fully executed, and (b) the PIA is effective. This MOA will terminate when (a) Subdivider posts the security specified in Section 3(a) of the PIA and (b) copies of such bonds are made part of the PIA. Such termination shall occur automatically, and there shall be no requirement to amend the PIA to reflect any change in security from this MOA to the bonds specified in Section 3(a) of the PIA. Once terminated, MOHCD and SFPW will cooperate to take any action reasonably necessary to remove this MOA as a lien or charge against the Site.

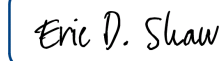
6. Authority; Amendments. Unless otherwise required, all matters requiring MOHCD’s approval shall be approved by the Director of MOHCD or his or her designee, and all matters requiring

SFPW’s approval shall be approved by the Director of SFPW or his or her designee. This MOA may be amended or modified only by a writing signed by the Director of SFPW and the Director of MOHCD. No waiver by any party of any of the provisions of this MOA will be effective unless in writing and signed by an authorized representative, and only to the extent expressly provided in such waiver.

7. Applicable Laws. All actions described herein are subject to and must be conducted in accordance with the applicable requirements of the City's Charter and codes and applicable state and federal laws.

IN WITNESS WHEREOF the Parties have caused this MOA to be executed by their duly appointed representatives this _____ day of _____ 2021.

Mayor's Office of Housing and Community Development


65EBDF01D006444...

By: Eric D. Shaw
Its: Director
Date: 5/1/2021 | 3:35 PM PDT

San Francisco Public Works

By: Alaric Degrafinried
Its: Director
Date: _____

EXHIBIT D

Reserved

EXHIBIT E

List of Documents Required by the City in Order to Issue a Notice of Completion

1. Developer Request Letter for Determination of Completeness (“DOC”)
2. Contractor Substantial Completion Letter
3. Civil Engineer Completion Notice
4. Geotechnical Engineer Completion Letter
5. Landscape Architect Completion Notice
6. Construction Manager Completion Notice
7. City Final Punch-list Approval
8. Utility Conformance Letter
9. As-Built Plan Approval
10. Recorded Notice of Completion
11. Survey Monuments
12. Test Reports
13. Joint Trench Conduits Mandrel Test
14. Confirmation of removal of all Non-Compliance Reports (“NCR”)
15. Confirmation of all Change Orders/Instructional Bulletins
16. Confirmation from City that spare parts have been provided (as applicable)
17. Operation and Maintenance Manuals
18. Notice of Completion Recommendation from Public Works

EXHIBIT F

List of Documents Required by the City in Order to Make a Request for Acceptance

1. Developer Request for Acceptance Letter
2. Lien Notification to General Contractor and Subs
3. Utility Bill of Sale
4. 3rd Party Reimbursement Checks-Copies
5. Assignment of Warranties and Guaranties
6. License Agreements (as applicable)
7. Mechanic's Lien Guarantee
8. Modified Offers of Improvements (as applicable)
9. Updated Grant Deeds (as applicable)

EXHIBIT G

Form of Notice of Termination

RECORDING REQUESTED BY:

James M. Ryan
Acting City and County Surveyor
San Francisco Public Works
49 South Van Ness Avenue, STE 300
San Francisco, CA 94103-3795
Attn: 9TH Floor

WHEN RECORDED MAIL TO:

James M. Ryan
Acting City and County Surveyor
San Francisco Public Works
49 South Van Ness Avenue, STE 300
San Francisco, CA 94103-3795
Attn: 9TH Floor

Space Above This Line for Recorder's Use

NOTICE OF TERMINATION AND RELEASE
OF
Public Improvement Agreement
(DOC-_____)

[Insert Date]

NOTICE OF TERMINATION AND RELEASE
OF
Public Improvement Agreement
(DOC-_____)

Notice is hereby given that the Public Improvement Agreement dated _____ and recorded _____ (Document No. _____, Receipt No. _____, Reel _____ Image _____) is hereby TERMINATED and RELEASED as it pertains to the real property situated on Assessor's Block _____ Lot _____ commonly known as [insert street address] (AKA _____) between _____ Street and _____ Street in the City and County of San Francisco (the "City"), State of California, and more fully described in Exhibit "A" to this Notice of Termination and Release (hereinafter referred to as the "Property").

The Public Improvement Agreement ("Agreement") was recorded to provide notice to future owners of the Property that the Subdivider, as defined therein is subject to certain public improvement and maintenance obligations relating to Final Map No. 9677 filed in Book____, Pages ____ through ____ of Maps, and recorded _____, 202_ in the Official Records of the City, as Document No. _____. Subdivider has completed the aforementioned public improvement obligations and satisfied the maintenance obligations per the Agreement as confirmed by the Director of Public Works based on _____. The Agreement is attached hereto as Exhibit "B".

The Agreement is hereby terminated.

Dated: _____ in San Francisco, California

OWNER

By: _____
[Note owner's signatures need to be notarized.]

APPROVED
San Francisco Public Works [or other affected Department]

By: _____
Director

APPROVED AS TO FORM
Dennis J. Herrera, City Attorney

By: _____
John Malamut
Deputy City Attorney

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

The land referred to is situated in the City and County of San Francisco, State of California, and is described as follows:

[INSERT LEGAL DESCRIPTION]

Assessor's Lot ____; Block _____

EXHIBIT "B"

[ATTACH AGREEMENT]