

File Nos. 110185 Committee Item Nos. 1
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Economic Development Date February 28, 2011

Board of Supervisors Meeting Date _____

Cmte Board

- | | | |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

- | | | |
|---------------------------------------|--------------------------|---|
| * <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Declaration Establishing Reciprocal Easements & Restrictions</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Completed by: Alisa Somera Date February 24, 2011
Completed by: _____ Date _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages.
The complete document can be found in the file.

1 [Reciprocal Easement Agreement - Property Located at 150 Otis Street and 170 Otis Street]

2
3 **Resolution approving and authorizing a reciprocal easement agreement for the**
4 **conveyance of easements over portions of City-owned property located at 150 Otis**
5 **Street and 170 Otis Street, required as part of the long term ground lease to 150 Otis**
6 **Associates, L.P., under San Francisco Charter Section 9.118, for the development and**
7 **operation of affordable housing; adopting findings that the conveyance is in**
8 **conformance with CEQA, the City's General Plan, and the priority policies of Planning**
9 **Code Section 101.1; and authorizing City's Director of Property to execute documents,**
10 **make certain modifications and take certain actions in furtherance of this resolution.**

11
12
13 WHEREAS, The City, under the jurisdiction of the City's Human Services Agency
14 ("HSA"), is the fee owner of certain real property located at 170 Otis Street, **Assessor's**
15 **Parcel (B) AB3513, Lot 207** (the "170 Otis Property"); and

16 WHEREAS, On June 29, 2010, the Board of Supervisors adopted Resolution No. 288-
17 10, a copy of which is on file with the Clerk of the Board in File No. 100753, in which this
18 Board approved a long-term ground lease (the "Lease") of the adjacent property 150 Otis
19 Street, **Assessor's Parcel (A) AB3513, Lot 208** (the "150 Otis Property") from the City,
20 under the jurisdiction of the Mayor's Office of Housing ("MOH"), to 150 Otis Associates, LP., a
21 California limited partnership (the "Developer") and authorized MOH, through its Director, to
22 finalize negotiations for the Lease and following the negotiations for the Lease authorizes the
23 Director of Property to execute and deliver the Lease; and

24 WHEREAS, The purpose of the Lease is to allow Developer to rehabilitate an existing
25 city landmarked, federal historically significant building into service space and 76 studio units

1 (including 1 manager's unit) of affordable rental housing of which 75 units will be targeted to
2 homeless veterans who, for 55 years after recordation of the memorandum of lease, shall
3 have income no higher than 50% of the Area Median Income (as determined by the U. S.
4 Department of Housing and Urban Development and as calculated by MOH), and income no
5 higher than 60% of the Area Median Income for the remaining term of the Lease (the
6 "Project"); and

7 WHEREAS, As a condition to the recordation of the Lease and delivery of possession
8 of the 150 Otis Property to Developer, the Developer was required to execute and record a
9 reciprocal easement agreement with HSA with respect to access and use rights and
10 responsibilities for certain shared building elements between the 150 Otis Property and the
11 170 Otis Property; and

12 WHEREAS, In order to finalize the Lease and commence with construction of the
13 Project, Developer, HSA and MOH have agreed to the terms of a reciprocal easement
14 agreement (the "Agreement"), in substantially the form filed with the Clerk of the Board of
15 Supervisors under File No. 110185, which is incorporated herein by this reference and is
16 considered part of the record before this Board; and

17 WHEREAS, The Agreement facilitates the use of the Project and the continued use of
18 the 170 Otis Property by granting certain access and use rights to HSA over the 150 Otis
19 Property and to the Developer over the 170 Otis Property during the term of the Lease; and

20 WHEREAS, City's Director of Property has determined that the easement rights
21 exchanged in the Agreement are of mutual and equivalent value; and

22 WHEREAS, Pursuant to Resolution No. 288-10 and Ordinance No. 110-10, a copy of
23 which is on file with the Clerk of the Board in File No. 100330, the terms of which are hereby
24 incorporated into this Resolution, this Board has found that the Project and Lease are
25

1 consistent with the General Plan and with the Eight Priority Policies of City Planning Code
2 Section 101.1, and in compliance with CEQA; now, therefore, be it

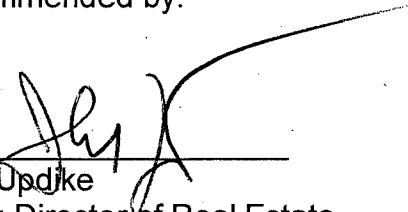
3 RESOLVED, That the Board of Supervisors hereby approves the Agreement
4 substantially in the form on file with the Clerk of the Board under File No. 110185, and
5 authorizes MOH, through its Director, and the Director of Property to execute and deliver the
6 Agreement for recording, and to take all steps (including, but not limited to, the execution and
7 delivery of any and all certificates, agreements, notices, consents, escrow instructions, closing
8 documents and other instruments or documents) as the Director of Property deems necessary
9 or appropriate under the Agreement, or as may be otherwise needed to effectuate the
10 purpose and intent of this Resolution; such determination to be conclusively evidenced by the
11 execution and delivery by the Director of Property of any such documents; and, be it

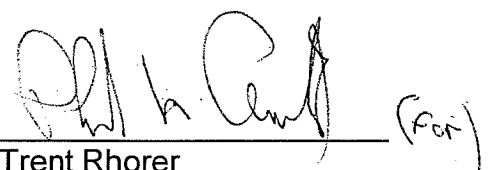
12 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
13 Property, in consultation with the City Attorney, to enter into any additions, amendments or
14 other modifications to the Agreement (including in each instance, without limitation, the
15 attachment of exhibits) that the Director of Property determines are in the best interests of the
16 City, do not decrease the revenues to the City in connection with the Agreement, or otherwise
17 materially increase the obligations or liabilities of the City, and are in compliance with all
18 applicable laws, including City's Charter, and the Board of Supervisors authorizes the Director
19 of Property to execute such additions, amendments or other modifications to the Agreement;
20 and, be it

21 FURTHER RESOLVED, That the Board hereby finds that the Agreement is consistent
22 with the General Plan and with the Eight Priority Policies of City Planning Code Section 101.1,
23 and is in compliance with CEQA for the same reasons as set forth in Resolution No. 288-10, a
24
25

1 copy of which is on file with the Clerk of the Board in File No. 100753, and Ordinance No.
2 110-10, a copy of which is on file with the Clerk of the Board in File No. 100330.

3 Recommended by:

4 
5 _____
6 John Updike
7 Acting Director of Real Estate

8 
9 _____ (for)
10 Trent Rhorer
11 Executive Director of Human Services Agency

**MAYOR'S OFFICE OF HOUSING
CITY AND COUNTY OF SAN FRANCISCO**



**EDWIN M. LEE
MAYOR**

**DOUGLAS SHOEMAKER
DIRECTOR**

February 15, 2011

Honorable David Chiu
City and County of San Francisco
Board of Supervisors
City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

SUBJ: Resolution approving and authorizing a reciprocal easement agreement for the conveyance of easements over portions of City-owned Property located at 150 Otis Street and 170 Otis Street

Dear Supervisor Chiu,

Please find attached a copy of a resolution to be introduced on Tuesday, February 15, 2011.

The resolution is asking for BOS approval and authorization to enter into a reciprocal easement agreement with 150 Otis Associates, LP., a California limited partnership (the "Developer"). The Developer will adaptively rehabilitate and develop 150 Otis into service space and 76 studio units (including 1 manager's unit) of affordable rental housing of which 75 units will be targeted to homeless veterans (the "Project"). The easement will become part of the previously approved ground lease between the City and Developer which was adopted by the Board as resolution 288-10. A copy of that resolution is attached for your information. The easement agreement facilitates the use of the Project and the continued use of the 170 Otis Property by granting certain access and use rights to HSA over the 150 Otis Property and to the Developer over the 170 Otis Property during the term of the Lease.

In order to meet a tax credit imposed deadline for the start of construction, we must close the syndication and have all documents and financing in place by March 14. Backing into this schedule we are assuming introducing the resolution on February 15, 2011; schedule for land use subcommittee on Monday, February 28; and returning to the full BOS for final reading on Tuesday, March 1, 2011. This schedule ensures we can secure Mayor Lee's signature in time to meet our deadline.

The attached resolution has been approved as-to-form by Deputy City Attorney Evan Gross.

If you have any questions about the resolution or the project, please contact Joan McNamara at 701-5532.

Sincerely,

A handwritten signature in blue ink that reads "Teresa Yanga".

Teresa Yanga
Housing Development Director

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors
Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: 150 Otis Associates, L.P.	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
(1) The Contractor is a Limited Partnership. It does not have a Board of Directors. (2) The Contractor is a Limited Partnership that does not have staff. (3) Chinatown Community Development Center and Swords to Plowshares both have ownership greater than 20% in the contractor. (4) None. (5) None.	
Contractor address: 1525 Grant Avenue, San Francisco, CA 94133	
Date that contract was approved:	Amount of contract: Reciprocal Easement
Describe the nature of the contract that was approved: Reciprocal Easement Agreement for property located at 150 Otis Street and 170 Otis Street.	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

Free Recording Requested Pursuant to
Government Code Section 27383

Recording requested by and
when recorded mail to:

City and County of San Francisco
Real Estate Division
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Attn: Director of Property

Above Space for Recorder's Use

DECLARATION ESTABLISHING RECIPROCAL EASEMENTS AND RESTRICTIONS

Dated as of _____, 2011

DECLARATION ESTABLISHING RECIPROCAL EASEMENTS AND RESTRICTIONS

THIS DECLARATION ESTABLISHING RECIPROCAL EASEMENTS AND RESTRICTIONS (this "Declaration") is made and executed as of _____, 2011, by THE CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, acting by and through the Department of Real Estate ("City"), and 150 OTIS ASSOCIATES, L.P., a California limited partnership ("Housing").

RECITALS

A. City owns that certain real property and improvements located at the street address 170 Otis Street, San Francisco, California, and more particularly described in the legal description attached hereto as Exhibit "A" ("170 Otis"). City, acting by and through the Human Services Agency ("HSA"), occupies 170 Otis and runs programs and services at 170 Otis.

B. City and Housing are parties to that certain Amended and Restated Ground Lease, dated _____, 2011 (the "Ground Lease"), with respect to that certain real property and improvements owned in fee by the City and located at the street address 150 Otis Street, San Francisco, and more particularly described in the legal description attached hereto as Exhibit "B" ("150 Otis") (150 Otis and 170 Otis are sometimes collectively referred to as the "Parcels"). A Memorandum of Ground Lease, dated _____, 2010, was recorded against 150 Otis, on _____, 2011, as _____ in the Official Records of the City and County of San Francisco. For the purposes of this Declaration, Housing is acting in its capacity as the owner of the leasehold interest in 150 Otis pursuant to the Ground Lease, and anything granted by, or benefitting, Housing shall be deemed to also be granted by or benefitting the City in its capacity as fee owner of 150 Otis.

C. A Declaration of Restrictions, dated _____, 2010 (the "Declaration of Restrictions"), executed by the City, recorded on _____, 2010, as _____ in the Official Records of the City and County of San Francisco, was recorded against the Parcels regarding a "no build zone" affecting 170 Otis.

D. There are certain underground utilities and other building elements on the existing building located at 170 Otis that serve 150 Otis. There is a need for access by Housing to such utilities. There is also a need for ingress and egress to and from 170 Otis by Housing and its residents, all as more particularly described in this Declaration.

E. There also exists certain server and storage rooms, underground utilities and other building elements on the existing building located at 150 Otis that serve 170 Otis, and there also is a need for access for maintenance to and from 150 Otis by the City and its Permittees, as more particularly described in this Declaration.

F. This Declaration desires to (i) establish certain reciprocal easements for ingress, egress and access to the Parcels for the benefit and enjoyment of the Parcels, (ii) establish certain utility easements over the Parcels, and (iii) establish certain shared space areas for the Parcels for

the benefit and enjoyment of the Parcels. The Parties also desire to provide for the maintenance of such easement areas and shared space areas, as more particularly described herein.

NOW, THEREFORE, for good and valuable consideration, including the mutual and reciprocal benefits and covenants contained herein, receipt of which is hereby acknowledged, the Parties hereby declare as set forth below.

1. Recitals. The recitals stated above are true, accurate, and correct and are incorporated herein.

2. Definitions.

a. The term “Claims” shall mean claims, demands, actions, proceedings, cross-claims, liabilities, losses, damages, injuries, and expenses, including, without limitation, reasonable attorney’s fees and expenses.

b. The term “Easements” shall collectively mean 150 Otis Easements and 170 Otis Easements as those terms are defined hereinafter.

c. The term “Grantee Party” shall mean the Party (as defined hereinafter) who is being conveyed an easement by the other Party.

d. The term “Grantor Party” shall mean the Party who is granting an easement to the Grantee Party.

e. The term “Housing Basement” shall mean the basement area of 150 Otis and generally depicted in the diagram “150 Otis Basement Area,” attached hereto as Exhibit “C.”

f. The term “Housing Building” shall mean that certain building now existing as of the date of this Agreement, and improvements to be constructed, including, without limitation, elevator towers, decks, and other structures on 150 Otis.

g. The term “Housing Plaza Level Exits” shall mean certain portions of the plaza level area of the Housing Building used for exiting from the Housing Basement and generally depicted in the diagram “Housing Plaza Level Exits” attached hereto as Exhibit “D.”

h. The term “Housing Utilities” shall mean Utilities (as defined hereinafter) serving Housing and 150 Otis.

i. The terms “HSA Garage” shall mean the underground garage area under 170 Otis.

j. The term “HSA Plaza” shall mean the street-level area on 170 Otis and between the buildings on 170 Otis and 150 Otis, and generally depicted in the diagram “HSA Plaza” attached hereto as Exhibit “E.”

k. The term “HSA Utilities” shall mean Utilities (as defined hereinafter) located in the basement area of 150 Otis and serving 170 Otis and the City in its capacity as owner of 170 Otis.

l. The term “Mortgage” shall mean any mortgage, indenture of mortgage, deed of trust or other conveyance of all or any portion of a fee or leasehold interest in a Parcel by a Party as security for the repayment of indebtedness, together with all other instruments securing the payment of the indebtedness secured by such mortgage, indenture, deed of trust or other instruments, and all amendments, modifications, supplements and extensions of such instruments.

m. The term “Mortgagee” shall mean the holder, from time to time, of a Mortgage.

n. The term “Party” shall individually mean City or Housing and the term “Parties” shall collectively mean City and Housing.

o. The term “Permittees” shall mean each respective Party’s tenants, subtenants, occupants, employees, contractors, licensees, customers and invitees.

p. The term “Utilities” shall mean telephone, electrical, plumbing, heating and ventilation, fire and life-safety, cable, data, storm water drainage, and other utility-type services, and attendant panels, boilers, generators, elevator lifts, equipment, machines, louvers, rain leaders, pipes, vents, flues, ducts, conduits, cabling, wires, and other service facilities.

3. 150 Otis Grant of Easements to 170 Otis. Housing grants the following easements (sometimes collectively hereinafter referred to as the “150 Otis Easements”) appurtenant to and for the benefit of 170 Otis and the City in its capacity as owner of 170 Otis:

a. City Use Area. Housing hereby grants and conveys to City and its Permittees an exclusive easement for use of a portion of the Housing Basement and depicted in the diagram “150 Otis Basement Area” attached hereto as Exhibit “C” (the “City Use Area”), solely as an engineer shop, storage area, and area for computer and telephone servers which exclusively provide data and information to 170 Otis and as an appurtenance to 170 Otis and for no other use. In the event the City ceases to use the City Use Area, then the City shall provide notice thereof to Housing and upon Housing’s request will negotiate an amendment to this Declaration terminating the City Use Area Easement.

b. City Utility Easement. Housing conveys and grants to City and its Permittees a non-exclusive easement in and over the Housing Basement to continue to keep in its location as of the date of this Agreement the HSA Utilities (the “City Utility Easement”) for the purpose of (i) maintaining in their current locations the HSA Utilities and (ii) for the installation, operation, replacement, removal, repair and maintenance of the HSA Utilities. City shall not relocate the HSA Utilities within the City Utility Easement without the written consent of Housing, which consent shall not be unreasonably withheld, delayed or conditioned. City shall repair and maintain the HSA Utilities in a manner that shall not materially and unreasonably

interfere with the Housing Utilities, and, in the event of such interference between the HSA Utilities and the Housing Utilities, City shall cause the HSA Utilities to be modified to abate such interference.

c. City Access Easement. Housing conveys and grants to City and its Permittees a non-exclusive easement over the Housing Basement (including the exit located in the Housing Basement) and the Housing Plaza Level Exits for access, ingress and egress to and from the City Use Area and the City Utility Easement (the "City Access Easement") to, through and over stairways, hallways, and exits currently existing in the Housing Basement and on the Housing Plaza Level Exits.

d. Gate Easement. Housing conveys and grants to City and its Permittees a non-exclusive easement on, across and over the outside walkway of 150 Otis at the street level, as more specifically depicted on the "HSA Plaza" diagram attached as Exhibit "E" hereto (the "Gate Easement") to use, repair, maintain and replace the gate at the street level adjacent to 150 Otis and attendant walkways and ramps, including the right of access, ingress and egress to and from the Gate Easement. City shall repair, maintain, and replace the gate and any fencing on the Gate Easement area at City's sole cost and expense. Notwithstanding the foregoing, Housing hereby acknowledges and agrees that as part of the development of 150 Otis, Housing will install a temporary gate during construction and upon completion of construction restore or replace the existing gate, and the City's obligations under this subsection with respect to the gate existing as of the execution of this Declaration will only apply after construction is completed and Housing has made the existing gate available for use.

e. Encroachment Easements. As of the date of this Declaration, City maintains: (i) certain security cameras on the Housing Building and (ii) an underground ramp for the HSA Garage (collectively, the "City Encroachments"). Housing grants to City an easement in favor of City and its Permittees to use, maintain, replace, and repair the City Encroachments and to encroach onto 150 Otis, including the right of access, ingress and egress to and from the City Encroachments (the "City Encroachment Easement").

f. Reservations by Housing.

i. Housing shall have the right to access the City Use Area, the City Utility Easement, the City Access Easement, and the Gate Easement for ingress and egress to and from 150 Otis, to the extent necessary for maintenance and repairs to the Housing Utilities or the Housing Building.

ii. City acknowledges and agrees that a portion of the Housing Basement is under a City sidewalk (the "Sub-Sidewalk Area") and Housing occupies the Sub-Sidewalk Area pursuant to a City encroachment permit and/or a declaration of use (the "Encroachment Permit") to maintain gas meters and other Utilities for 150 Otis and 170 Otis in the Sub-Sidewalk Area. The rights of City and Housing to use the Sub-Sidewalk Area are subject to the future revocation of the Encroachment Permit. Housing agrees to use reasonable efforts to maintain in full force and effect the Encroachment Permit. City shall, upon request by Housing, reimburse Housing for fifty percent (50%) of any out-of-pocket expenses (including

but not limited to reasonable attorney's fees) incurred by Housing to maintain the Encroachment Permit or to relocate any such meters and utilities if required due to a revocation of the Encroachment Permit.

g. Fire Alarm and Life Safety System. City and Housing each acknowledges and agrees that there is one fire and life safety system that serves the entire Housing Building. City and Housing acknowledge that during construction of the Housing Building a temporary fire and life safety system shall be implemented and operated in accordance with the Construction Logistics provided in Section 5(j) hereof. Notwithstanding anything to the contrary contained in this Declaration, Housing at Housing's sole cost and expense shall be solely responsible for the repair, maintenance, replacement and service of the fire and life safety system, unless any repair or damage is caused by the City's gross negligence or willful misconduct. In the case of the willful misconduct or gross negligence of the City, City shall, upon demand by Housing, reimburse Housing for its out-of-pocket expenses (including but not limited to reasonable attorney's fees) for such repair, maintenance and service.

4. 170 Otis Grant of Easements to 150 Otis. City grants the following easements (sometimes collectively hereinafter referred to as the "170 Otis Easements") appurtenant to and for the benefit of the Housing and 150 Otis:

a. Generator. An emergency electrical generator will be located in an area in the HSA Plaza, and utility pipes and conduits (collectively, the "Generator Utilities") will be located on surface areas in the HSA Plaza (the "Generator Area"), and generally depicted in the cross-hatched area in the diagram "HSA Plaza" attached hereto as Exhibit "E." The Generator Utilities will serve both the City Use Area and Housing and 150 Otis. City hereby grants and conveys to Housing and 150 Otis a non-exclusive easement to the Generator Area to maintain, use, repair and replace the Generator Utilities (the "Generator Easement") in the Generator Area. Housing at Housing's sole cost and expense shall be solely responsible for the repair, maintenance, replacement and service of the Generator Utilities, unless such repair or damage is caused by the gross negligence or willful misconduct of City. In the case of the willful misconduct or gross negligence of the City, the City shall, upon demand by Housing, reimburse Housing for its out-of-pocket expenses (including but not limited to reasonable attorneys fees) for such repair, replacement, maintenance and service. Housing shall not relocate the Generator Utilities within the Generator Area without the written consent of City, which consent shall not be unreasonably withheld, delayed or conditioned. Housing shall repair, service and maintain the Generator Utilities in a manner that shall not materially and unreasonably interfere with the HSA Plaza or City's use of 170 Otis.

b. HVAC Enclosure. An enclosure for air supply fans, together with heating, ventilation, and air conditioning flues and vents located under the HSA Plaza and running along the ceiling of the HSA Garage (collectively, the "HVAC Enclosure"), will be located on 170 Otis (the "HVAC Enclosure Area"), and generally depicted in the shaded area in the diagram "HSA Plaza" attached hereto as Exhibit "E." The HVAC Enclosure will exclusively serve Housing and 150 Otis. City hereby grants and conveys to Housing an exclusive easement to the HVAC Enclosure Area to maintain, use, repair and replace the HVAC Enclosure (the "HVAC

Enclosure Easement”). Housing at Housing’s sole cost and expense shall be solely responsible for the repair, maintenance, replacement and use of the HVAC Enclosure, unless such repair or damage is caused by the gross negligence or willful misconduct of City. In the case of the willful misconduct or gross negligence of the City, the City shall, upon demand by Housing, reimburse Housing for its out-of-pocket expenses (including but not limited to reasonable attorneys fees) for such repair, replacement, maintenance and service. Housing shall not relocate the HVAC Enclosure within the HVAC Enclosure Area without the written consent of City, which consent shall not be unreasonably withheld, delayed or conditioned. Housing shall repair, service and maintain the HVAC Enclosure in a manner that shall not materially and unreasonably interfere with the HSA Plaza, HSA Garage or City’s use of 170 Otis.

c. Housing Utility Easement. City conveys and grants to Housing a general, non-exclusive easement in, over, and under the ceiling areas of the HSA Garage to maintain, repair and replace the Housing Utilities (the “Housing Utility Easement”). Housing at Housing’s sole cost and expense shall be solely responsible for the repair, maintenance, replacement and use of the Housing Utilities, unless such repair or damage is caused by the gross negligence or willful misconduct of City. In the case of the willful misconduct or gross negligence of the City, the City shall, upon demand by Housing, reimburse Housing for its out-of-pocket expenses (including but not limited to reasonable attorneys fees) for such repair, replacement, maintenance and service. Housing shall endeavor to schedule maintenance during normal business hours, and shall repair and maintain the Housing Utilities in a manner that shall not interfere with the HSA Utilities or use of the HSA Garage.

d. Housing Access Easement. City conveys and grants to Housing a general, non-exclusive easement in and over the HSA Garage and the HSA Plaza for: (i) access, ingress and egress to and for repair, maintenance, improvement, and replacement of the Generator Area and the Generator Utilities, the HVAC Enclosure and the HVAC Enclosure Areas, the Housing Basement and the foundation, sheer walls, structural portions and other building elements of the Housing Building, (ii) access, ingress and egress to and for repair, maintenance, improvement, and replacement of the Housing Utilities, and (iii) emergency ingress and egress to and from emergency exits located or to be located in the Housing Building (collectively, the “Housing Access Easement”). Notwithstanding anything to the contrary contained herein, Housing shall provide HSA reasonable advanced notice prior to accessing the HSA Garage for any purpose, except to the extent necessary for emergency maintenance and repairs to the Housing Utilities. The exact amount of time required for advanced notice may be established in the rules and regulations contemplated under Section 5(e) herein.

e. Trash and Recycling Easement. There are two areas on 170 Otis, one for garbage and trash collection, and another for recycling and compost collection on the street-level along Otis Street on 170 Otis, each as more specifically depicted on the “HSA Plaza” diagram attached as Exhibit “E” hereto (collectively, the “Trash and Recycling Area”). City conveys and grants to Housing a non-exclusive easement over the Trash and Recycling Area, and access to and from the Trash and Recycling Area for the purpose of trash, recycling and compost storage and disposal (the “Trash and Recycling Easement.” Housing shall compact all Housing trash and recycling prior to its placement in the Trash and Recycling Area, and the area for such

compacting shall be as shown on Exhibit "E". Housing shall coordinate recycling for 150 Otis with the recycling company that serves the Parcels, and in the event that City determines in its reasonable discretion that there is insufficient space within the Trash and Recycling Area for recycling generated by 150 Otis, Housing shall find another location for the 150 Otis Recycling on 150 Otis.

f. Storm Water System. Without limiting the generality of any of the 170 Otis Easements, City acknowledges and agrees that there is one, common storm water system serving both 150 Otis and 170 Otis, and City specifically consents to the drainage of rainwater from 150 Otis to 170 Otis and the connection of the Housing rainwater leaders and other drainage systems to the storm water system serving 170 Otis and 150 Otis. City at City's cost and expense shall be solely responsible for the repair, maintenance and service of the storm water system, except if such cost and expense is due to the willful misconduct or gross negligence of Housing. In the case of the willful misconduct or gross negligence of the Housing, Housing shall, upon demand by City, reimburse City for its out-of-pocket expenses (including but not limited to reasonable attorneys fees) for such repair, maintenance and service.

g. Encroachment Easements. Housing maintains or will maintain certain outdoor decks, roof eaves, emergency exits, elevator towers and other building elements that will encroach onto 170 Otis, each as more specifically depicted on the diagram attached as "Exhibit D" hereto (collectively, the "Housing Encroachments"). City grants to Housing an exclusive easement in favor of Housing to use, maintain, replace, and repair the Housing Encroachments and to encroach onto 170 Otis (the "Housing Encroachment Easement"). Housing at Housing's sole cost and expense shall be solely responsible for the repair, maintenance, replacement and use of the Housing Encroachments, unless such repair or damage is caused by the gross negligence or willful misconduct of City. In the case of the willful misconduct or gross negligence of the City, the City shall, upon demand by Housing, reimburse Housing for its out-of-pocket expenses (including but not limited to reasonable attorney's fees) for such repair, maintenance and service.

h. Reservations by City. Subject to the 150 Otis Easements, the Housing Utility Easement, the Housing Access Easement, the Generator Easement, and the Trash and Recycling Easement shall be used in common with City for the HSA Utilities and 170 Otis and for any required ingress and egress and access to the HSA Utilities or to 170 Otis, City reserving to itself the right to use the Housing Utility Easement, the Housing Access Easement, the Generator Easement and the Trash and Recycling Easement for the HSA Utilities and ingress and egress and access to the HSA Utilities and 170 Otis, and for access, ingress, and egress to 170 Otis.

5. Terms and Conditions on Use of Easements.

a. As Is. Each Party accepts the Easements in their "AS IS" condition, without representation or warranty of any kind by the Grantor Party, and subject to all applicable laws, rules and ordinances governing the use of the Easements. Without limiting the foregoing, this Declaration is made subject to any and all existing covenants, conditions, restrictions,

easements, encumbrances and other title matters affecting the Parcels, whether foreseen or unforeseen, and whether such matters are of record or would be disclosed by an accurate inspection or survey.

b. Hazardous Substances. Except in strict compliance with applicable laws, the Grantee Party shall not use, store, transport, keep, permit to keep, or dispose of any "hazardous materials" or "hazardous substances," however defined under applicable law, in, on, or about the Easements or the Parcels, provided that Grantee Party may store and use such substances on the Parcels in such limited amounts as are customarily used for general office or residential purposes (such as copy toner and supplies), parking operations and maintenance purposes, repair and replacement purposes, and janitorial purposes; and further provided that such storage and use permitted hereunder shall be at all times in full compliance with all applicable laws.

c. Indemnification. Except as otherwise expressly set forth in this Declaration, the City shall not be liable for any loss, damage, injury, demands or claims of any kind or character, including but not limited to attorneys' fees, to any person or property arising from any damage created by Housing or its Permittees from use of the Easements granted to Housing. Housing, as a material part of the consideration of this grant of easement for the Easements, hereby waives on its behalf all Claims and hereby agrees to indemnify, defend and hold the City and its Permittees entirely free and harmless from any and all Claims of any persons, and from all costs and expenses (including, without limitation, attorney's fees and costs) arising out of or relating to the Easements or the use thereof by Housing or its Permittees, including, without limitation, compliance with subparagraph b. above, except those Claims arising out of or relating to the City's or its Permittees' gross negligence or willful misconduct. Except as otherwise expressly set forth in this Declaration, Housing shall not be liable for any loss, damage, injury, demands or claims of any kind or character, including but not limited to attorneys' fees, to any person or property arising from any damage created by the City or its Permittees from use of the Easements granted to City under this Declaration. City, as a material part of the consideration of this grant of easement for the Easements, hereby waives on its behalf all Claims and hereby agrees to indemnify, defend and hold Housing and its Permittees entirely free and harmless from any and all Claims of any persons, and from all costs and expenses (including, without limitation, attorney's fees and costs) arising out of or relating to the Easements or use thereof by City or its Permittees, including, without limitation, compliance with subparagraph b. above, except those Claims arising out of or relating to the Housing's or its Permittees' gross negligence or willful misconduct.

i. Except in the case of Housing's and/or Housing's Permittees' gross negligence or willful misconduct, and except as otherwise agreed to by the Parties, Housing shall not be liable for any damage or disruption to the furniture, fixtures and equipment in the City Use Area. City shall establish reasonable building security measures to ensure that access to the 150 Otis Easements is limited to authorized persons only, and City shall have full responsibility for securing the City Use Area and shall hold Housing harmless for any damage or claims arising from unauthorized entry into such area, except in the case of gross negligence or willful misconduct on the part of Housing or its Permittees.

d. No Liens. The Grantee Party shall not suffer or permit to be enforced against the Easements or the Parcels any mechanic's, materialmen's, contractors' or subcontractors' liens or any claim for damage arising out of the work of any construction, repair, restoration, replacement or improvement, or any other claim or demand. The Grantee Party shall pay or cause to be paid all of said liens, claims or demands before any action is brought to enforce the same against the Easements or the Parcels. The Grantee Party shall indemnify and hold the Grantor Party free and harmless from all liability for any and all such liens, claims and demands, together with all attorneys' fees, costs and expenses incurred.

e. Rules and Regulations. The Parties may establish, amend, modify or delete rules and regulations regarding the use of the Easements, provided such rules and regulations are uniformly and in a good faith and non-discriminatory manner applied, do not increase the obligations of or burdens upon a Party under this Declaration, and are mutually agreed upon by the Parties.

f. No Unreasonable Interference. In the performance of the exercise of any easement rights, the Parties will use their best efforts to minimize: (i) any unreasonable or material disruption, interruption of, or interference with, the business or other activities conducted on or intended uses of a Parcel; and (ii) any unreasonable or material interruption of any utility, access or other services provided to a Parcel.

g. No Walls, Fences Or Barriers. Except as otherwise provided herein, no gates, doors, walls, fences or barriers of any sort or kind shall be constructed or erected to prevent the use or exercise of any of the Easements or rights granted herein.

h. City as Owner of 150 Otis. Housing hereby acknowledges and agrees that for the purposes of this Declaration only, City shall have no obligations with respect to 150 Otis and the 150 Otis Easements. As owner of the leasehold interest in 150 Otis Housing shall be solely responsible for any and all obligations with respect to 150 Otis and the 150 Otis Easements.

i. Rights Tied to Property Interests. All rights granted to each of the Parties with respect to the Easements shall remain the rights of each Party for so long as such Party retains an interest in the property that benefits from such Easements.

j. Covenants During Construction of 150 Otis. In addition to the rights and obligations of the Parties with respect to the Easements, during the period commencing upon the start of construction for the development of 150 Otis and ending upon Housing's receipt of the final recorded notice of completion for 150 Otis, Housing and the City hereby agree to endeavor to comply with the requirements and conditions set forth in more detail on Exhibit "F" attached hereto (the "Construction Logistics"). Housing shall incorporate the Construction Logistics into its construction contract for the development of 150 Otis, and obtain the agreement of its general contractor as part of the scope of its obligations under the construction contract to agree to assume the responsibility for the Construction Logistics and to acknowledge that the City may rely upon the general contractor's agreements with respect thereto.

6. Enforcement. Violation or breach of any covenant, agreement or provision contained herein shall give to the party in whose favor such covenant, agreement or provision was made, the right to prosecute a proceeding at law or in equity against the person or persons who violated or are attempting to violate any such covenant, agreement or provision, to enjoin or prevent them from doing so, to cause such violation to be remedied and/or to recover damages for such violation.

7. Default. The failure by any Party to perform any covenant or obligation of such Party under this Declaration and to cure such non-performance within thirty (30) days after receipt of written notice by any other Party shall constitute a default hereunder. Provided that if more than thirty (30) days are reasonably required for such cure, no event of default shall occur if the non-performing party commences such cure within such period and diligently prosecutes such cure to completion. Upon a default, the aggrieved Party shall be entitled to all remedies, legal and equitable, allowed by operation of law, except termination of the easements herein granted. Housing's limited partner shall have the right to cure any default by Housing, subject to all applicable notice and cure rights, and City shall accept any cure from Housing's limited partner on the same terms as if the cure were tendered by Housing.

8. Insurance.

a. Insurance Maintained by Housing. Following completion of any construction or major alterations, Housing shall maintain or cause to be maintained, at no expense to the City, insurance as follows:

i. Property insurance on an all-risk form, excluding earthquake and flood, for 100% of the replacement value of 150 Otis, including coverage for loss or rental income for twelve (12) months caused by an insured peril, with any deductible not to exceed \$10,000 each loss, including the City as a named insured as its interests may appear;

ii. Boiler and machinery insurance, comprehensive form, for 100% of the replacement value of insured objects or \$5,000,000, whichever is less, including coverages for extra expense (\$200,000), expediting expense (\$100,000), hazardous substance/ammonia contamination/water damage (\$100,000 each), loss or rental income (12 months), with any deductible not to exceed \$10,000 combined property damage/expense, including the City as a named insured as its interests may appear;

iii. Commercial general liability insurance with limits not less than \$5,000,000 each occurrence combined single limit for bodily injury an property damage, including coverages for contractual liability, personal injury, independent contractors, broadform property damage, explosion-collapse-underground, products and completed operations;

iv. Business automobile liability insurance with limits not less than \$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; and

v. Workers' compensation insurance in an amount required by law, including coverage for employers' liability with limits not less than \$1,000,000 each accident.

b. General Requirements.

i. All insurance provided for under this Declaration must be effected under valid enforceable policies issued by insurers of recognized responsibility and reasonably acceptable to the City.

ii. Except for professional liability insurance, should any of the required insurance be provided under a claims-made form, Housing must maintain coverage continuously throughout the term of the Ground Lease and, without lapse, for a period of three (3) years beyond the expiration or termination of the Ground Lease, to the effect that, should occurrences during the term give rise to claims made after expiration or termination of the Ground Lease, the claims will be covered by such claims-made policies.

iii. Should any of the required insurance be provided under 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, the general aggregate limit must be double the occurrence or claims limits specified above.

iv. All liability insurance policies must be endorsed to provide the following:

(A) that Housing is the insured and the City, its officers, agents and employees, are additional insured, as their respective interests may appear hereunder;

(B) that the policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Declaration, and that insurance applies separately to each insured against whom claim is made or suit is brought;

(C) that interests are severable and an act or omission of one of the named insureds that would void or otherwise reduce coverage may not reduce or void the coverage as to any other insured;

(D) that all claims based on acts, omissions, injury or damage that occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period are covered;

(E) an endorsement that the insurer will provide thirty (30) days' advance written notice to the City of cancellation, mailed to the address(es) for notice to the City set forth below.

v. To the extent not duplicative of the insurance coverage required under the Ground Lease, the insurance coverage required hereunder shall be in addition to the insurance coverage required under the Ground Lease.

c. Proof of Insurance. Pursuant to the Ground Lease, Housing has delivered to City insurance endorsements in form and with insurers satisfactory to the City evidencing the coverages required hereunder, together with complete copies of the policies, and Housing must provide City with endorsements or policies at least thirty (30) days before the expiration dates of expiring policies. In the event Housing fails to procure required insurance or to deliver renewal policies or endorsements, at its option, the City may procure the same for the account of Housing, and the cost thereof must be paid to the City within ten (10) days after delivery to Housing of bills therefor.

d. Failure to Maintain Required Coverage. If, within five (5) business days after Housing's failure to obtain or renew any insurance required herein, Housing has failed to procure the required insurance, the City may obtain the required insurance at Housing's expense in accordance with the provisions of the Ground Lease and Housing shall promptly reimburse City for costs so incurred.

e. Housing's Personal Property. Housing will be responsible, at its sole expense, for separately insuring Housing's personal property.

f. City's Self Insurance. Housing acknowledges that the City self-insures against casualty, property damage and public liability risks and agrees the City will not be required to carry any third party insurance with respect to 170 Otis.

g. Waiver of Subrogation. To the extent permitted by their respective policies of insurance, the City and Housing each hereby waive any right of recovery against the other party and against any other party maintaining a policy of insurance covering the Parcels or the contents, or any portion thereof, for any loss or damage maintained by the other party with respect to the Parcels or any portion thereof or the contents of the same or any operation therein, whether or not the loss is caused by the fault or negligence of the other party. If any policy of insurance relating to 150 Otis carried by Housing does not permit the foregoing waiver or if the coverage under any policy would be invalidated due to this waiver, Housing must obtain from the insurer under the policy a waiver of all rights of subrogation the insurer might have against the City or any other party maintaining a policy of insurance covering the same loss, in connection with any claim, loss or damage covered by the policy.

h. Compliance with City's Risk Management Requirements. Housing must observe, at its sole expense, any and all reasonable requirements of the City's Risk Manager with respect thereto and with the requirements of any policies of public liability, fire or other policies of insurance at any time in force with respect to the Parcels as required hereunder. Housing acknowledges that the City's Risk Manager may require an increase in insurance coverage in the event the City determines that conditions show cause for an increase, *provided that* Housing may request a waiver of any increase, upon Housing's submission of evidence satisfactory to the City

that the increased insurance coverage is not commercially available to or that premiums are not commercially reasonable for a nonprofit housing operator, in the City's judgment.

9. Damage or Destruction.

a. Mortgagee Rights. The provisions of this Section 9 are subject to the rights of any lenders under the terms of any leasehold deeds of trust and, in the event of any conflict between this Declaration and the terms of such deeds of trust, the terms of such deed of trust will prevail.

b. 150 Otis Damage or Destruction. In the event of any damage or destruction to the 150 Otis Parcel or the Housing Building which results in damage to or destruction of any of the 150 Otis Easements, and as long as the Ground Lease is in full force and effect, Housing's rights and obligations with respect to the restoration of the Easements or the Housing Building, and the receipt and use of any casualty proceeds shall be governed by the terms and provisions of Article 12 of the Ground Lease. Any required repairs or restoration of the 150 Otis Easements (pursuant to the terms of the Ground Lease) shall be performed at Housing's sole cost and expense.

c. 170 Otis Damage or Destruction. In the event of any damage or destruction to the 170 Otis Parcel which results in damage to or destruction of any of the 170 Otis Easements, and as long as the Ground Lease is in full force and effect, the City, at its sole cost and expense shall either: (i) fully repair and restore any such damaged or destroyed Easement, should the City determine to repair and restore the 170 Otis Parcel, or (ii) should the City determine to that it will not repair and restore the 170 Otis Parcel, provide an alternative location for such damaged or destroyed Easement reasonably acceptable to Housing, and cause this Declaration to be amended to memorialize the relocation of any such Easement.

d. Ground Lease. The provisions of this Section 9 are in addition to the requirements set forth in the Ground Lease. Notwithstanding anything to the contrary contained herein, Housing's rights and obligations under this Section 9 shall be subject to the provisions set forth in Article 12 of the Ground Lease.

10. Condemnation.

a. Taking Generally. The City and Housing intend that the provisions of this Section 10 will govern fully if a taking of all or any part of the Easements occurs during the term of this Declaration. The provisions of this Section 10 are subject to the rights of any lenders under the terms of any leasehold deed of trust and, in the event of any conflict between this Section 10 and the terms of such deed of trust, the terms of such deed of trust will prevail.

b. Taking of 170 Otis Easements. Should a taking of all or any part of the 170 Otis Easements occur, the City shall restore such Easement or Easements affected by the taking for the benefit of 150 Otis.

c. Taking of 150 Otis Easements. Should a taking of all or any part of the 150 Otis Easements occur, the rights and obligations of the Parties shall be as set forth in Article 13 of the Ground Lease.

d. Temporary Takings. A taking with respect to all or any part of any Easement for a limited period of time not in excess of one hundred eighty (180) consecutive days will not affect this Declaration, and the rights and obligations of the Parties will be as set forth in Section 13.6 of the Ground Lease.

11. Mortgagee Rights.

a. Each Mortgagee shall be entitled to receive notice of any default or breach of this Declaration by the Party whose Parcel secures such Mortgagee's Mortgage, and any other notice given to such Party under the provisions of or with respect to this Declaration, from each of the Parties to whom such Mortgagee shall have delivered a notice stating that it is a Mortgagee as to a specified Parcel, and providing its name and address for notice hereunder. Each Party shall acknowledge in writing its receipt of the name and address of a Mortgagee so delivered to it.

b. Any notice to a Mortgagee shall be given in the same manner as provided in Section 16 below.

c. In the event that any notice shall be given of the default of a Party and such defaulting Party has failed to cure or commence to cure such default as provided in this Declaration, then the Mortgagee under the Mortgage affecting the defaulting Party's interest in a Parcel shall have the right (but not the obligation) to cure any such default and such performance by or at the instance of the Mortgagee shall be accepted as if the same had been made by such Party; provided, that the foregoing shall not be deemed to extend any period specified herein for the cure of such default.

12. Binding on Successors; Survives Termination of Ground Lease due to Foreclosure. This Declaration and all of the covenants and conditions herein contained shall be binding upon and shall inure to the benefit of the executors, administrators, heirs, assigns and successors of Parties. If, in the future, any of the Parcels are subdivided into additional parcels, the owner of each such parcel shall have all the rights and obligations hereunder, to the extent such rights and obligations relate to each such separate parcel. In addition, in the event that a Mortgagee forecloses or accepts a deed in lieu of foreclosure on the 150 Otis Ground Lease and, pursuant to the Ground Lease, enters into a new ground lease with the fee owner of 150 Otis, this Declaration shall be binding upon and shall inure to the benefit of the new lessee.

13. Amendment. No amendment modification, waiver, amendment, discharge, or change of this Declaration shall be valid unless such amendment is in writing and signed by all Parties. Any amendment which is made without the written consent, or deemed consent, of all Parties shall be null and void and of no effect. The amendment shall be effective when recorded in the Official Records of the City and County of San Francisco.

14. Severability. If any term, provision, covenant or condition of this Declaration is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder of this Declaration shall not be affected thereby, and each term, provision and covenant shall be valid and enforceable to the fullest extent permitted by law.

15. Attorneys' Fees. In the event legal proceedings are commenced regarding the enforcement of this Declaration, the prevailing party in any such action shall recover, in addition to any relief granted therein, reasonable attorneys' fees from the other party or parties, which fees shall be included in any judgment rendered in such proceedings.

16. Notices. Any notice required or desired to be given hereunder shall be delivered either personally, via certified or registered U.S. mail, or via commercial overnight service, postage and delivery charges fully prepaid, addressed as follows:

If to Housing:

Swords – 150 Otis, LLC
c/o Swords to Plowshares
1060 Howard Street
San Francisco, CA 94103
Attn: Executive Director
(415) 655-7241 Phone
(415) 552-6267 Fax

CCDC – 150 Otis, LLC
c/o Chinatown Community Development Center
1525 Grant Avenue
San Francisco, CA 94133
Attn: Executive Director
(415) 929-1450 Phone
(415) 362-7992 Fax

with a copy to:

Wachovia Affordable Housing Community Development
Corporation, MAC D1053-170,
301 South College Street
Charlotte, NC 28288
Attn: Director of Tax Credit Asset Management

If to City:

Real Estate Division
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Attn: Director of Property
Phone
(415) _____ Fax

All notices shall be deemed delivered upon the earlier of personal receipt or two (2) business days after deposit in the U.S. mail, registered or certified, postage prepaid or one (1) day after it is deposited with an overnight service, as the case may be. A successor Party may require notices

to be delivered to such successor Party by delivering a notice, in writing, notifying the then current Parties of such addresses in accordance herewith. If any Party desires to change its address hereunder, such change shall be communicated to the other parties in the manner set forth above.

17. No Waiver. The waiver or failure to enforce any breach or violation of any covenant herein contained shall not be deemed to be a waiver or abandonment of such covenant, or any waiver of the right to enforce any subsequent breach or violation of such covenant.

18. Entire Declaration. Except for the Ground Lease and the Declaration of Restrictions, this Declaration sets forth the entire understanding and agreement of the Parties with respect to all matters discussed herein and supersedes any and all prior agreements, written or oral regarding such matters.

19. California Law. This Declaration is being executed and delivered, is intended to be performed, in the State of California, and to the extent permitted by law, the execution, validity, construction and performance of this Declaration shall be construed and enforced in accordance with the laws of the State of California.

20. Compliance with Laws. Each Party covenants and agrees to comply with all laws and regulations relating to the use of the respective easement areas and the exercise of any rights granted herein.

21. Mutuality; Reciprocity; Runs with Land. All conditions, covenants and agreements contained herein are made for the direct, mutual and reciprocal benefit of each and every part of the Parcels described herein; shall create mutual, equitable servitude and burdens upon each of the Parcels in favor of each other Parcel; shall create reciprocal rights and obligations between the respective Party's Parcels and privity of contract and estate between all grantees of said Parcels, their heirs, successors and assigns; and shall, as to each Party, its heirs, successors and assigns, operate as covenants running with the land, for the benefit of the other Parcels.

22. Termination of Ground Lease. Notwithstanding anything to the contrary in this Declaration, if the Ground Lease shall terminate for any reason whatsoever (unless in connection with a new lease entered into with a Mortgagee if provided for in the Ground Lease), then this Declaration shall simultaneously terminate, and Housing shall surrender the 150 Otis Easements to City; provided that termination of this Declaration shall not relieve Housing of any obligations hereunder which specifically survive termination or expiration of this Declaration; and further provided that the Generator Easement shall survive such termination and continue to benefit 150 Otis. In the event of termination, all Parties to this Declaration promptly shall execute and acknowledge a declaration of termination of this Declaration in its entirety, excepting therefrom those provisions set forth in the previous sentence that shall survive termination (and/or such other documentation as City may reasonably request, including but not limited to a quitclaim deed suitable for recordation) and cause such declaration to be duly recorded in the Official Records of the City and County of San Francisco, State of California.

23. Non-Liability of City Officials, Employees and Agents. Notwithstanding anything to the contrary contained in this Declaration, no elective or appointive board, commission, member, officer, employee or agent of City shall be personally liable to Housing, its successors and assigns, in the event of any default or breach by City or for any amount which may become due to Housing, its successors and assigns, or for any obligation of Housing under this Declaration.

24. Proprietary Capacity. Housing understands and acknowledges that City is entering into this Declaration in its proprietary capacity and not as a regulatory agency with certain police powers. Notwithstanding anything to the contrary herein, no approval by City of any plans and specifications or other materials submitted by Housing to City for City's approval pursuant to this Declaration nor any other approvals by City hereunder shall be deemed to constitute approval of City acting in its regulatory capacity or any governmental or regulatory authority with jurisdiction over the Parcels. City makes no representations or warranties that City, acting in its regulatory capacity and under its police powers, will ultimately approve of any draft plans, specifications or other materials nor issue any necessary permits.

25. No Joint Ventures or Partnership; No Authorization. This Declaration does not create a partnership or joint venture between City and Housing as to any activity conducted by Housing on, in or relating to the Parcels.

26. Taxes. Housing recognizes and understands that this Declaration may create a possessory interest subject to property taxation and that Housing may be subject to the payment of property taxes levied on such interest under applicable law. Housing agrees to pay taxes of any kind, including possessory interest taxes, if any, that may be lawfully assessed on the interest created by this Declaration and to pay any other taxes, excises, licenses, permit charges or assessments based on Housing's use of the Parcels that may be imposed on Housing by applicable law. Housing shall pay all of such charges when they become due and payable and before delinquency.

27. MacBride Principles – Northern Ireland. City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1 et seq. City also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Housing acknowledges that it has read and understands the above statement of City concerning doing business in Northern Ireland.

28. Tropical Hardwood and Virgin Redwood Ban. City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product, except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code.

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

a. In the performance of its obligations under this Declaration, Housing agrees not to discriminate against any employee of, any City employee working with Housing, or

applicant for employment with Housing, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, 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. Housing shall include in all agreements with any Permittee using the Easements a non-discrimination clause applicable to such party in substantially the form of subsection (a) above. In addition, Housing shall incorporate by reference the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code in such agreements and shall require all Permittees to comply with such provisions. Housing's failure to comply with the obligations in this subsection shall constitute a material breach of this Declaration.

c. Housing does not as of the date of this Declaration and will not during the term of this Declaration, in any of its operations in San Francisco, on real property owned by City, or where the work is being performed for 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.

30. Conflicts in Interest. Through its execution of this Declaration, Housing acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provisions, and agrees that if Housing becomes aware of any such fact during the term of this Declaration, Housing shall immediately notify City.

31. Notification of Limitations on Contributions. Through its execution of this Declaration, Housing acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with City for the selling or leasing of any land or building to or from City whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of

negotiations for such contract or six months after the date the contract is approved. Housing acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of Fifty Thousand Dollars (\$50,000) or more. Housing further acknowledges that the prohibition on contributions applies to each prospective party to the contract; if applicable, each member of Housing's board of directors, chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than twenty percent (20%) in Housing; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Housing. Additionally, Housing acknowledges that Housing must inform each of the persons described in the preceding sentence (to the extent applicable) of the prohibitions contained in Section 1.126. Housing further agrees to provide to City the name of the each person, entity or committee described above to the extent applicable.

32. Food Service Waste Reduction. Housing agrees to comply fully with and be bound by all of the applicable provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided therein, and implementing guidelines and rules, to the extent applicable to the use and occupancy of the Parcels by Housing and its Permittees pursuant to this Declaration. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Declaration as though fully set forth herein. Accordingly, Housing acknowledges that City contractors and lessees may not use Disposable Food Service Ware that contains Polystyrene Foam in City Facilities and while performing under a City contract or lease, and shall instead use suitable Biodegradable/Compostable or Recyclable Disposable Food Service Ware. This provision is a material term of this Declaration.

33. Sunshine Ordinance. In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, leases, agreements, responses to requests for proposals, and all other records of communications between City and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this Section will be made available to the public upon request.

34. Pesticide Prohibition. Housing shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which (i) prohibit the use of certain pesticides on City property, (ii) require the posting of certain notices and the maintenance of certain records regarding pesticide usage and (iii) require Housing to submit to SFMTA an integrated pest management ("IPM") plan that (a) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Housing may need to apply to the Parcels during the term of this Declaration, (b) describes the steps Housing will take to meet City's IPM Policy described in Section 300 of the Pesticide Ordinance and (c) identifies, by name, title, address and telephone number, an individual to act as Housing's primary IPM

contact person with City. In addition, Housing shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

35. Effective Date. Housing hereby acknowledges and agrees that this Declaration shall only become effective upon, and City's obligations hereunder are contingent until, approval of this Declaration by City's Board of Supervisors and Mayor, each in their respective sole discretion.

36. Exhibits. All Exhibits attached to this Declaration are hereby incorporated into this Declaration by this reference.

[SIGNATURES ON NEXT PAGE]

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: 
Deputy City Attorney

CITY:

CITY AND COUNTY OF SAN FRANCISCO, a
municipal corporation, acting by and through the
Department of Real Estate

By: _____


Its: _____

HOUSING:

150 OTIS ASSOCIATES L.P.,
a California limited partnership

By: CCDC-150 OTIS LLC,
a California limited liability company
Its co-managing general partner

By: CHINATOWN COMMUNITY
DEVELOPMENT CENTER, INC.,
a California nonprofit public benefit
corporation,
Its sole member

By: 
Anna Yee
Title: Deputy Director

By: SWORDS-150 OTIS, LLC,
a California limited liability company
Its co-managing general partner

By: Swords to Plowshares: Veterans Rights
Organization, a California nonprofit
public benefit corporation, its sole
member/manager.

By: _____
Its: _____

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

DECLARANT:

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

CITY:

CITY AND COUNTY OF SAN FRANCISCO, a
municipal corporation, acting by and through the
Department of Real Estate

By: _____

Its: _____

HOUSING:

150 OTIS ASSOCIATES L.P.,
a California limited partnership

By: CCDC-150 OTIS LLC,
a California limited liability company
Its co-managing general partner

By: CHINATOWN COMMUNITY
DEVELOPMENT CENTER, INC.,
a California nonprofit public benefit
corporation,
Its sole member

By: _____
Gordon Chin
Title: Executive Director

By: SWORDS-150 OTIS, LLC,
a California limited liability company
Its co-managing general partner

By: Swords to Plowshares: Veterans Rights
Organization, a California nonprofit
public benefit corporation, its sole
member/manager.

By: Michael [Signature]
Its: Executive Director

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, a Notary Public

personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) are/is
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 (Seal)

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, a Notary Public

personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) are/is
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 (Seal)

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, a Notary Public

personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) are/is
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 (Seal)

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, a Notary Public

personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) are/is
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 (Seal)

EXHIBIT "A"

LEGAL DESCRIPTION OF 170 OTIS

[To Be Attached]

170 OTIS

All that certain real property referred to as Parcel B in Exhibit "B" to the Certificate of Compliance recorded May 6, 2010 in Reel K137 of Official Records, Image 405 under Recorder's Serial Number 2010-I 963744, and described as follows:

Commencing at a point on the Westerly line of Otis Street, 82.50 feet wide, distant thereon 343.75 feet northerly from the northerly line of Duboce Avenue 80.00 feet wide, as said northerly line existed prior to the widening of Duboce Avenue as shown on that certain Map entitled, "Map showing the widening of Duboce Avenue Westerly of Otis Street", recorded September 21, 1966, in Book "V" of Maps at Page 5, in the Office of the Recorder of the City and County of San Francisco, said point of commencement also being perpendicularly distant 206.25 feet Southerly from the Southerly line of McCoppin Street, 78.75 feet wide; thence at a right angle to said line of Otis street Westerly and parallel with said line of McCoppin Street 48.48 feet to the True Point of Beginning; thence continuing along the Westerly projection of the previous line 119.06 feet to the Easterly line of Jessie Street, 35.00 feet wide, at its Southerly termination, perpendicularly distant 206.25 feet Southerly from said Southerly line of McCoppin Street; thence at a right angle Southerly along the former Easterly line of Jessie Street, as said Jessie Street existed prior to the vacation thereof, per Resolution 884-75, recorded December 22, 1975, 40.028 feet to the Southerly termination thereof; thence at a deflection angle to the left, $68^{\circ}42'$ along the Southeasterly projection of said former Southerly line of Jessie Street, 32.242 feet; thence at a deflection angle to the right, $68^{\circ}42'$ Southerly 85.76 feet to a point on a line parallel with and perpendicularly distant 206.25 feet Northerly from the Northerly line of Duboce Avenue, as said Northerly line existed prior to the widening of Duboce Avenue as shown on that certain Map entitled, "Map showing the widening of Duboce Avenue Westerly of Otis Street", recorded September 21, 1966, in Book "V" of Maps at Page 5, in the Office of the Recorder of the City and County of San Francisco; thence at a right angle Easterly along said parallel line 88.25 feet; thence at a right angle Northerly 25.88 feet; thence at a right angle Easterly 4.85 feet; thence at a right angle Northerly 14.92 feet; thence at a deflection angle to the left 60° Northwesterly 2.10 feet; thence at a deflection angle to the left 30° Westerly 2.17 feet; thence at a right angle Northerly 3.70 feet; thence at a right angle Easterly 4.00 feet; thence at a right angle Northerly 15.30 feet; thence at a right angle Westerly 16.40 feet; thence at a right angle Northerly 27.10 feet; thence at a right angle Easterly 16.40 feet; thence at a right angle Northerly 7.85 feet; thence at a right angle Westerly 4.00 feet; thence at a right angle Northerly 3.75 feet; thence at a right angle Easterly 2.37 feet; thence at a deflection angle to the left, 35° Northeasterly 2.00 feet; thence at a deflection angle to the left, 55° Northerly 14.85 feet; thence at a right angle Westerly 4.10 feet; thence at a right angle Northerly 21.96 feet to the True Point of Beginning.

Lot 207 (being a portion of former Lot 7); Block 3513

EXHIBIT "B"

Legal Description of 150 Otis

[To Be Attached]

150 OTIS

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

PARCEL ONE:

All that certain real property referred to as Parcel A in Exhibit "B" to the Certificate of Compliance recorded May 6, 2010 in Reel K137 of Official Records, Image 405 under Recorder's Serial Number 2010-I 963744, and described as follows:

Beginning at a point on the Westerly line of Otis Street 82.50 feet wide, distant thereon 206.25 feet Northerly from the Northerly line of Duboce Avenue, 80.00 feet, as said Northerly line existed prior to the widening of Duboce Avenue as shown on that certain Map entitled, "Map showing the widening of Duboce Avenue Westerly of Otis Street", recorded September 21, 1966, in Book "V" of Maps at Page 5, in the Office of the Recorder of the City and County of San Francisco; thence at a right angle to said line of Otis Street, Westerly 49.25 feet; thence at a right angle Northerly 25.88 feet; thence at a right angle Easterly 4.85 feet; thence at a right angle Northerly 14.92 feet; thence at a deflection angle to the left, 60° Northwesterly 2.10 feet; thence at a deflection angle to the left, 30° Westerly 2.17 feet; thence at a right angle Northerly 3.70 feet; thence at a right angle Easterly 4.00 feet; thence at a right angle Northerly 15.30 feet; thence at a right angle Westerly 16.40 feet; thence at a right angle Northerly 27.10 feet; thence at a right angle Easterly 16.40 feet; thence at a right angle Northerly 7.85 feet; thence at a right angle Westerly 4.00 feet; thence at a right angle Northerly 3.75 feet; thence at a right angle Easterly 2.37 feet; thence at a deflection angle to the left, 35° Northeasterly 2.00 feet; thence at a deflection angle to the left, 55° Northerly 14.85 feet; thence at a right angle Westerly 4.10 feet; thence at a right angle Northerly 21.96 feet to a point on a line parallel with and perpendicularly distant 206.25 feet Southerly from the Southerly line of McCoppin Street, 78.75 feet wide; thence at a right angle Easterly along said parallel line 48.48 feet to said Westerly line of Otis Street; thence at a right angle Southerly along said line of Otis Street 137.50 feet to the Point of Beginning.

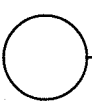
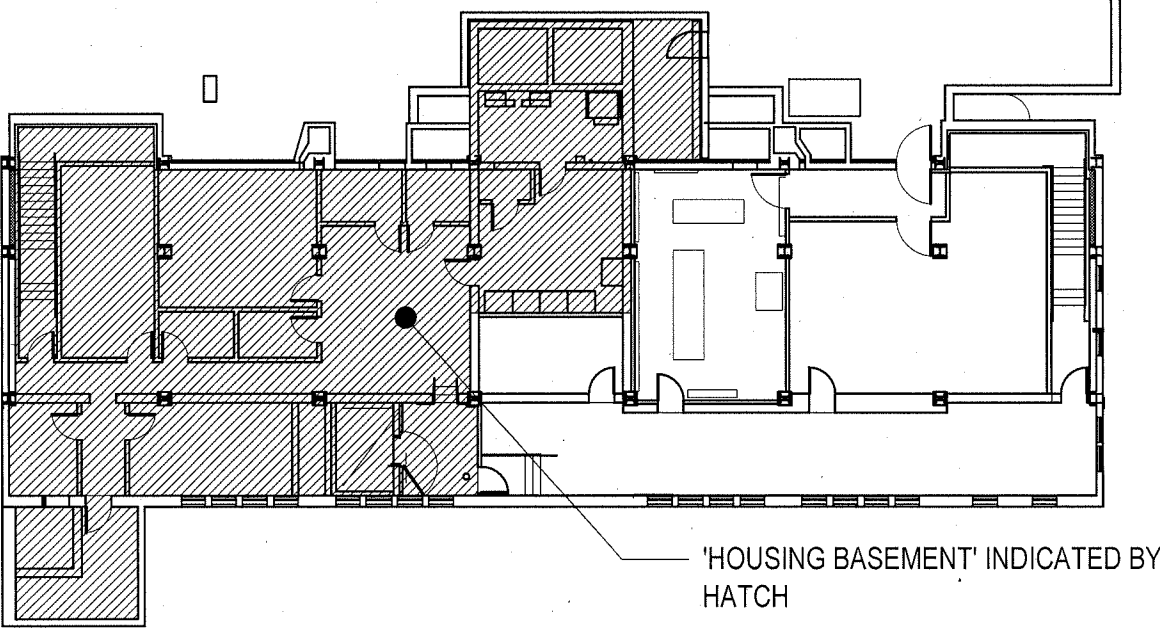
Lot 208 (being a portion of former Lot 7); Block 3513

EXHIBIT "C"

Diagram of 150 Otis Basement Area

[To Be Attached]

EXHIBIT "C"



150 OTIS STREET BASEMENT PLAN

SCALE: NTS

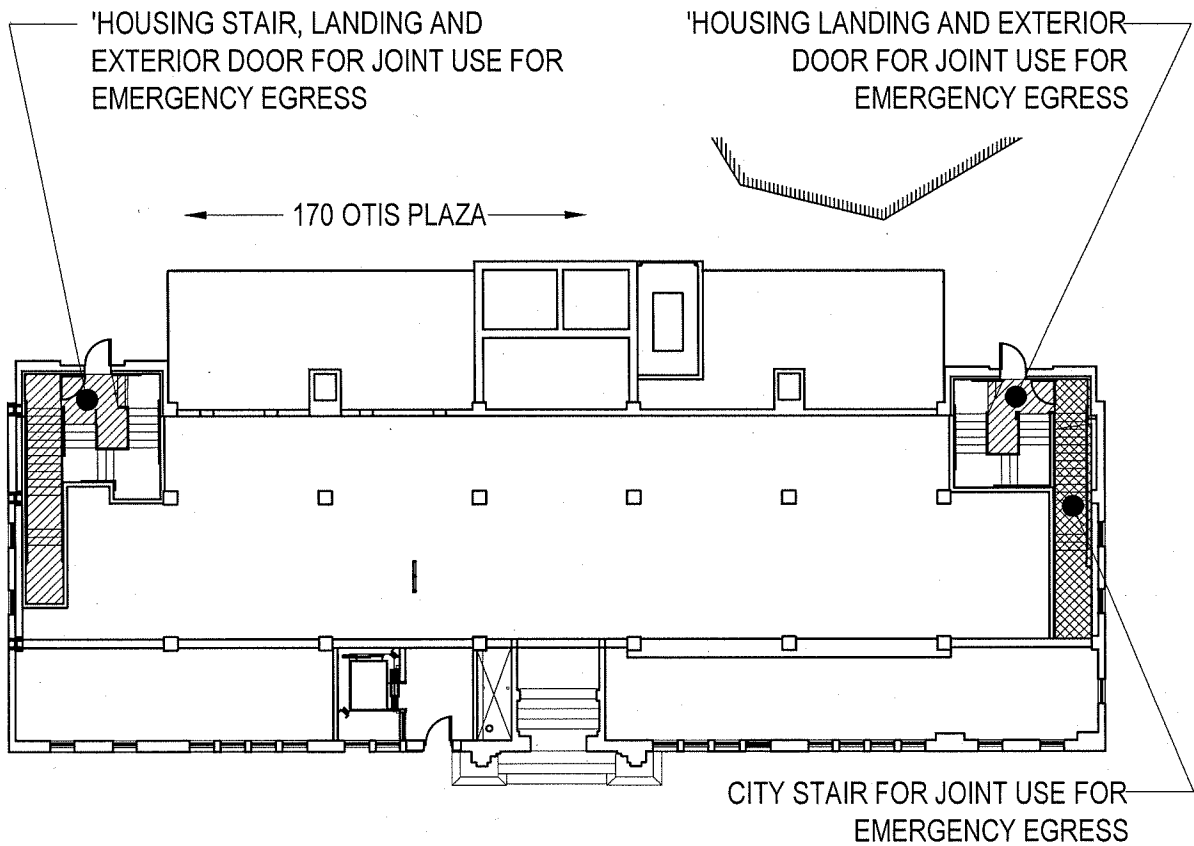


EXHIBIT “D”

Diagram of Housing Plaza Level Exits

[To Be Attached]

EXHIBIT "D"



150 OTIS STREET PLAZA LEVEL PLAN

SCALE: NTS

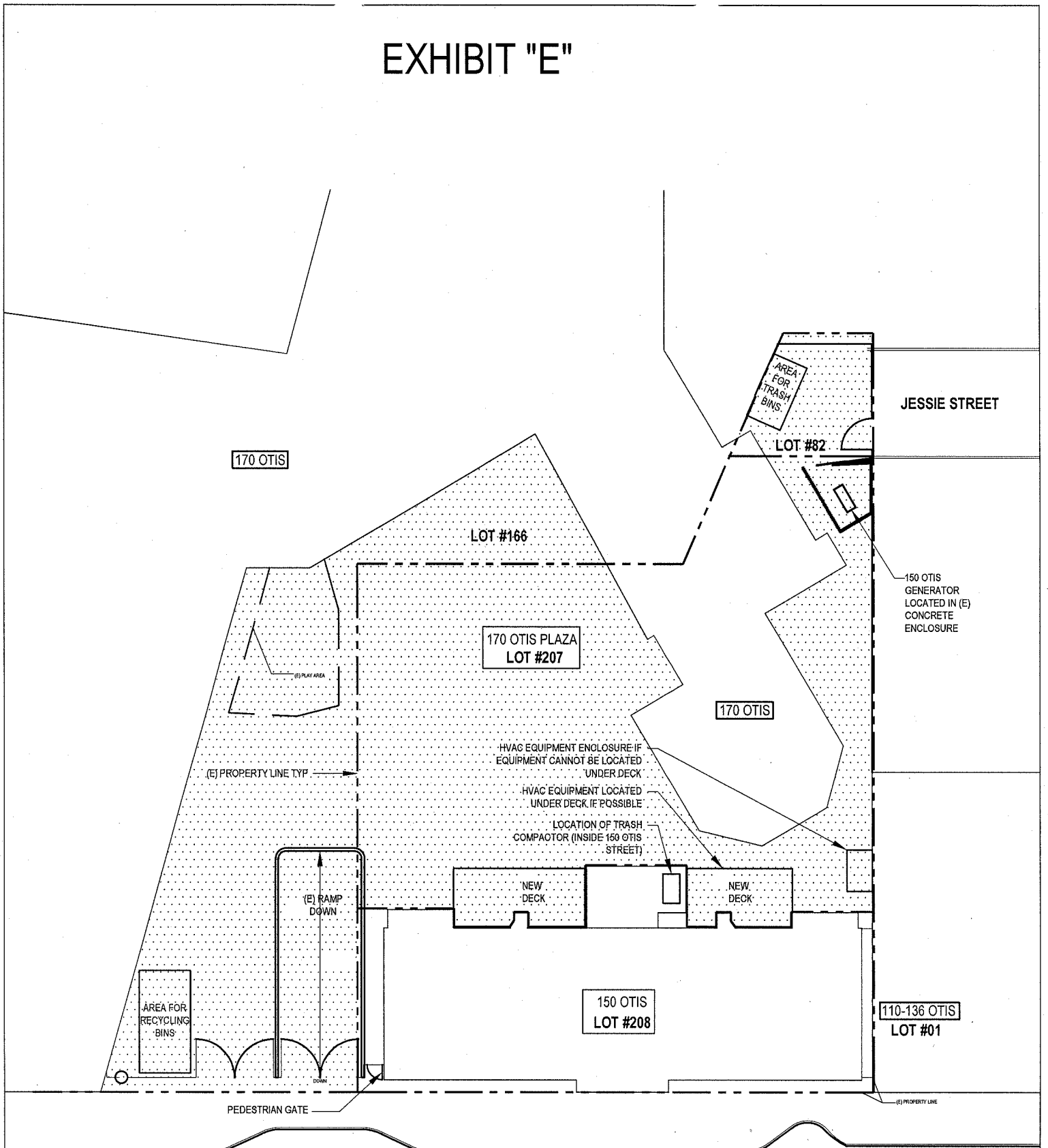


EXHIBIT "E"

Diagram of HSA Plaza

[To Be Attached]

EXHIBIT "E"



HSA PLAZA SITE PLAN

SCALE: NTS



EXHIBIT "F"

Construction Logistics

Exhibit F

150 Otis Street Human Services Agency (HSA) Logistics & Coordination Issues

Revised February 14, 2011

Below is a summary of the Logistics and Coordination issues relative to the City of San Francisco, Human Services Agency ("HSA") property located at 170 Otis Street in San Francisco, CA. This document is a guideline for construction-related activities at the adjacent 150 Otis Street, the provisions of which may be adapted, as necessary and agreed upon, from time to time, by Cahill Contractors, Inc. ("Cahill"), the City of San Francisco (Human Services Agency) and 150 Otis Associates, L.P.

1. IT Space

The IT space, located in the center of the basement, **must** be kept in operation throughout construction. It is maintained daily by the HSA IT staff. In order to keep this space in operation several issues need to be addressed:

a. Power

i. This room is served by an existing 800 amp service which needs to be relocated as it is in conflict with the structural work to occur in the basement. Cahill will bring in a new, temporary service to power this equipment. The cut over to the new service will be done during off hours (weekends or nights) and will involve use of the temporary generator (see below) to keep power to this equipment while the cut over is accomplished.

ii. According to the HSA, this room needs 125 amps of power.

iii. Cahill will keep a temporary emergency generator on standby in the event there is an unplanned power outage. The location of this generator is to be determined. Cahill will prioritize the installation of the permanent generator so that it is online as soon as possible. **NOTE: The permanent emergency generator for 150 Otis, Lot 7a is to be located within the existing exterior concrete block enclosure on Lot 7. The emergency generator will provide emergency power to 150 Otis plus the HSA controlled spaces in the basement of 150 Otis. New conduit may run within the ceiling of the existing parking garage at Lot 7, between the emergency generator located on Lot 7 to the emergency power requirements at 150 Otis, Lot 7a.**

iv. All of the HSA spaces will be sub-metered as part of the 150 Otis construction.

b. Vibrations

i. The equipment in this room is vibration sensitive.

ii. Cahill will isolate the slab in this room so as to mitigate vibration of the equipment.

iii. The demolition work at the basement and 1st floor as well as the micropile work will be performed at night. This will minimize the impact to the HSA in the event this equipment does shut down due to these activities.

iv. Cahill will **not** install vibration isolation on the racks or equipment in this room. This will be handled by HSA prior to construction start.

v. Some initial testing shall be done by Cahill and HSA staff prior to the start of major construction activities to ascertain, to the extent possible, how sensitive the equipment is.

vi. HSA will review what is necessary to bring a switch back online and will have standby equipment available as necessary.

c. Dust

i. Cahill will build a partition to minimize, to the extent possible, construction dust in the IT room. The partition will allow for access by HSA IT staff.

ii. HSA shall clean this area prior to construction, and Cahill will, to the best of its efforts, regularly remove any construction dust from the area.

iii. This space will be placed in "positive pressure" to further minimize dust infiltration.

d. Air Conditioning

i. There is an air conditioning unit in the IT room which is on the circuits for this space. This unit will stay in service throughout construction. The filters will be changed on an as-needed basis to maintain a clean environment.

ii. Cahill will provide temporary duct routing with clean, filtered air from the plaza so that this space is placed in "positive pressure"

e. Fire Sprinklers

i. Cahill will provide an alternate to the standard wet pipe sprinkler system in this space. It is anticipated that an "FM 200" system will be installed.

2. Engineer's Shop and Storage Room

The Engineer's shop and storage rooms which are adjacent to the IT room are also important and are accessed regularly. The plan for these spaces is as follows:

a. HSA to temporarily move all equipment and material out of these spaces before construction starts. This existing material and equipment has been relocated to the temporary chain link storage area adjacent to 150 Otis. Upon review of the final structural drawings, there is foundation and micropile work slated to occur in this area. Cahill and HSA will investigate options to perform this work while maintaining this space.

b. Cahill to complete the work in these areas including any finishes as soon as possible.

c. HSA to move back into these areas. It is anticipated that this process will take 3-6 +/- mos. Occupancy of this area needs to be approved by the project

building inspector before HSA can move in. Cahill will discuss this with the inspector once he / she has been assigned to the project.

3. Personnel Hoist Location (See the Personnel Hoist Layout Plan PH-1)

- a. Cahill will locate a personnel hoist on the main ramp into the garage.
- b. There will be sufficient room to maintain the pedestrian walk and a drive aisle wide enough for a truck (10' clear).
- c. A portion of the concrete pony wall separating the plaza pedestrian walk from the ramp will be demolished and replaced.
- d. The garage gates will remain in service. Any obstructions (debris box or other) will be removed prior to the end of the day.
- e. A flagperson will be located at the top of the ramp to assist with pedestrians, cars and deliveries.

4. MUNI Bus Stop and Overhead lines

- a. Cahill intends to temporarily relocate the bus stop in front of 150 Otis and will work with the appropriate City agencies to make this change. The overhead Muni lines on Otis will also require relocation.
- b. The bus stop may be permanently relocated, but this requires a public process and the outcome will not be known for several months.

5. Pest Control

- a. Cahill will employ pest control measures at the 150 Otis building and the portions of the garage adjacent to 150 Otis before demolition starts. The pest control will remain in place until construction is complete.

6. Plaza Loading

- a. The HSA has indicated that trucks and heavy equipment are **not** allowed on the plaza deck. As-Built plans indicating the design criteria have been provided to Cahill. Cahill anticipates storing materials and small equipment on the plaza deck in a manner that does not exceed the plaza design criteria.

7. Fresh Air Intakes for 170 Otis

- a. The fresh air intake for 170 Otis should not be impacted by the work at 150 Otis. These intakes are approximately 20' above the plaza deck and approximately 30-40' from 150 Otis.

8. Job Office, Construction Equipment & Materials

- a. Storage of construction equipment & material in the garage will be kept to a minimum in order to maintain the number of parking spaces.
- b. Materials and equipment will be stored on the plaza deck in the lay down area noted on the logistics plan.
- c. The jobsite office may be located in 150 Otis or on the plaza.
- d. Cahill may also obtain temporary space in the adjacent AT & T building.

9. HSA Material Storage

a. The materials in the temporary HSA storage space directly adjacent to 150 Otis will be moved into a storage container supplied by Cahill. The location and size of this container needs to be confirmed.

10. Plaza Tile

a. HSA will provide a specification for the plaza tiles. Patching of this tile is anticipated.

11. Rear Access

a. Cahill will make its best efforts to provide a minimum of 6'-8' clear at the rear of the 150 Otis building for deliveries. See the logistics plan. There will be periods where it is not possible to provide access for deliveries. During these periods HSA delivery trucks will use the Cahill loading zone at the front of the 150 Otis building. HSA deliveries will be reviewed during the weekly HSA / Cahill coordination meetings (see below).

12. Communication

a. The Cahill superintendent will be in contact with HSA staff on a daily basis and will provide a 2 week look-ahead schedule every week detailing upcoming activities and deliveries.

13. Sign In Protocol

a. HSA staff needing to gain access to the IT room will need to check in with the Cahill superintendent and shall wear proper personal protective equipment, including proper footwear. Cahill will provide hard hats for HSA staff who need to gain access to the IT room during construction.

Please see the attached Basement Plan and Personnel Hoist Layout, both dated 2/16/11, for additional information.

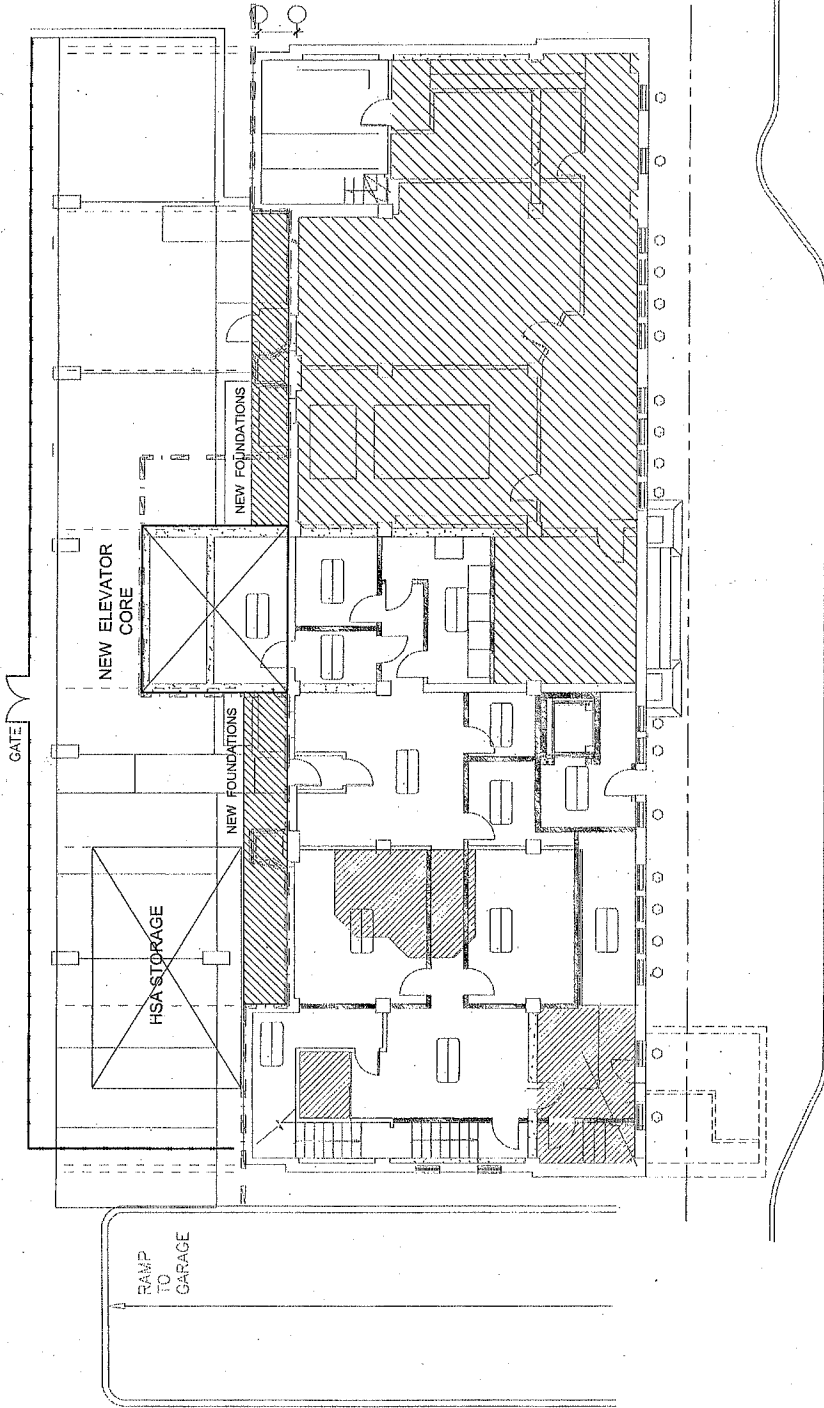
End of Memo

BASEMENT PLAN

02-14-11



KEEP DRIVE AISLE CLEAR



General Notes

1. This plan represents a preliminary proposal for construction activity logistics at 150 Otis Street. Work activities will be carefully coordinated with adjacent property owners and city agencies to avoid any inconvenience or disruptions.
2. The plan is intended to show general logistical coordination; upon the start of construction, this plan will be fine tuned and/or modified based on additional coordination and input from the project team and adjacent property owners.
3. Pedestrian barricades and vehicle traffic control requirements not shown for clarity. Cahill will take all the necessary steps to keep pedestrians and drivers safe during the course of construction and obtain all the necessary permits from city agencies for sidewalk and lane closures.

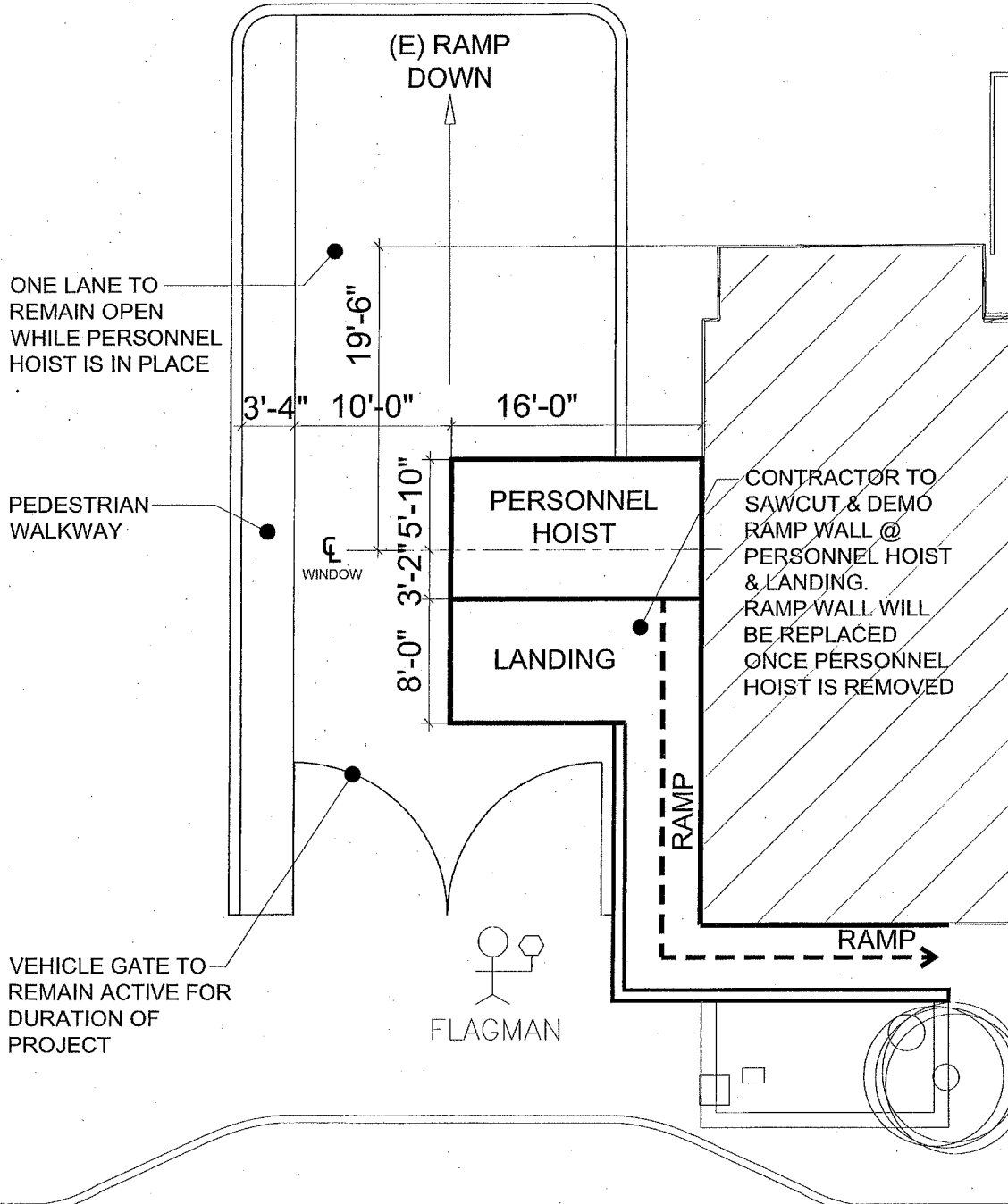
Notes

1. Full time flagger will be staged at the top of the ramp to control pedestrian and vehicle traffic during construction activities.

PERSONNEL HOIST LAYOUT



CAHILL
CONTRACTORS, INC.



NOTE: DIMENSIONS SHOWN ARE APPROXIMATE.
ACTUAL DIMENSIONS MAY VARY SLIGHTLY
DEPENDING ON HOIST MODEL NUMBER

PH-1
02-14-11