

**LIMITED PAYMENT GUARANTY**

This Limited Payment Guaranty (the "**Guaranty**") is dated for reference purposes as of \_\_\_\_\_, 2020, by the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development ("**MOHCD**") and the **TREASURE ISLAND DEVELOPMENT AUTHORITY**, a California public benefit corporation ("**TIDA**") and, together with MOHCD, the "**Guarantor**") in favor of **RAYMOND JAMES TAX CREDIT INVESTMENTS, INC.** ("**Investor**").

**Factual Background**

**A.** TIDA intends to convey a leasehold interest in the real property located at 401 Avenue of the Palms, on Treasure Island in San Francisco, California (the "**Property**") to Maceo May Apts, L.P., a California limited partnership ("**Borrower**") under a ground lease for Borrower to develop on the Property a new 105-unit multifamily rental housing development (including one manager unit) affordable to low-income veteran households which will be commonly known as the Maceo May Apartments (the "**Project**").

**B.** Reference is made to that certain [Limited Partnership Agreement] by and between the Borrower and Investor, pursuant to which Investor will make an equity contribution in the amount of \$\_\_\_\_\_ for the purpose of development and construction of the Project. The Investor has agreed to contribute an initial investment of \$3,202,238 at the commencement of construction of the Project ("**Initial Investment**").

**C.** MOHCD has provided a loan to the Borrower in the aggregate amount of \$24,255,000.00 (the "**MOHCD Loan**") pursuant to that certain Amended and Restated Loan Agreement by and between the Borrower and the MOHCD for the purpose of development, construction and permanent financing of the Project.

**D.** Treasure Island Former and Current Residents, Andre Patterson, Felita Sample and certain other plaintiffs as named in that certain Class Action Lawsuit Complaint for Damages, including all parties listed and incorporated therein and Doe Plaintiffs 1-2,000 (collectively, "**Plaintiffs**") have filed a complaint with the Superior Court of the State of California County of San Francisco against the Treasure Island Development Authority, Treasure Island Homeless Development Initiative, Shaw Environmental, U.S. Navy Treasure Island Clean Up Director Jim Sullivan, in his individual capacity, U.S. Navy Treasure Island Clean Up Lead Project Manager David Clark, in his individual capacity, U.S. Navy Representative Keith Forman, in his individual capacity, Tetra Tech EC, Inc., Dan L. Batrack, in his individual and official capacity, State Department of Toxic Substance Control, San Francisco Department of Public Health, Lennar Inc, Five Point Holdings, LLC, John Stewart Company and Does 1-100 inclusive (collectively, the "**Defendants**") (the "**Lawsuit**"), claiming, among other things, that Treasure Island has not been adequately environmentally remediated and demanding, among other things, that the Defendants be ordered to stop all development and construction on Treasure Island until independent verified reports demonstrate complete remediation of all toxic substances including radioactive materials from Treasure Island.

**E.** The Plaintiffs have not filed for a preliminary injunction to immediately halt construction. **[WILL NEED TO BE CONFIRMED AT TIME GUARANTY IS EXECUTED]**

**F.** The Plaintiffs' final prayer for relief seeks to stop all development and construction on Treasure Island until independent verified reports demonstrate complete remediation of all toxic substances including radioactive materials from Treasure Island. According to the Finding of Suitability to Transfer (FOST) dated February 15, 2006 and the Amendment Number 1 to the FOST dated November 1, 2014, the Property has been fully remediated of all toxic substances.

**G.** TIDA, MOHCD and the Borrower desire for the Project to begin construction (including construction of the modular units to be incorporated into the Project) as soon as possible in order for the Borrower to retain its modular production window and to retain the Project's additional public financing

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awards, including an allocation of bond proceeds from the California Debt Limit Allocation Committee, an allocation of federal low income housing tax credits through the California Tax Credit Allocation Committee, an allocation of funds from the Veterans Housing and Homelessness Prevention Program through the California Department of Housing and Community Development and an allocation of Section 8 Project-Based VASH rental vouchers. Accordingly, the MOHCD has agreed to begin disbursements of the MOHCD Loan proceeds so Borrower can begin construction of the Project (including construction of the modular units).

**H.** In order for the Borrower to secure the financing and approvals necessary to execute the Ground Lease and execute the Agreement prior to final resolution of the Lawsuit, Investor requires that Guarantor execute this Guaranty.

**Guaranty**

**1. Guaranty of Initial Investment.**

**1.1** Guarantor for value received, jointly and severally if more than one, unconditionally and absolutely guarantee(s) to Investor payment when due of the Initial Investment; *provided, however*, that until the occurrence of a Triggering Event (as defined below), Investor will not make demand on Guarantor nor shall Guarantor have any liability for the due and punctual payment of the Initial Investment or any portion thereof (it being understood, however, that this proviso shall not affect Guarantor's liability under **Section 22**).

As used herein, a "**Triggering Event**" shall mean failure of any of the conversion conditions to be satisfied on or prior to the initial maturity date (as such initial maturity date may be extended pursuant to the terms of the Construction Disbursement Agreement with Silicon Valley Bank) as a result of a temporary restraining order or any preliminary, permanent or other injunction to stop work or other similar notice or filing affecting or which could affect the Property or construction of the Improvements issued by a court as a result of the Lawsuit or other similar lawsuit brought by one or more of the Plaintiffs on related causes of action, or any amendments, renewals, reinstatement or restoration of any such Lawsuit or similar lawsuit.

**1.2** In addition to the foregoing, Guarantor hereby agrees to pay any and all costs and expenses (including, without limitation, reasonable attorneys' fees and costs, including allocated costs for services of Investor's in-house counsel, to the extent not prohibited by applicable law) incurred by Investor in enforcing any rights or remedies under this Guaranty, including in the context of any Insolvency Proceeding (as that term is hereinafter defined), but only (i) if Guarantor, in bad faith as determined by a court of competent jurisdiction, contests Investor's enforcement of the Guarantor's obligations under this Guaranty, or (ii) as a result of any representation or warranty of the Guarantor contained in this Guaranty being false, incorrect, incomplete or misleading in any material respect. From the time incurred until paid in full to Investor, all such sums shall bear interest at the Default Rate as defined in the Note and if no Default Rate is specified therein, then at the rate of interest applicable under the Note from time to time, plus five percent (5%) per annum.

**1.3** This is a guaranty of payment, not of collection. Guarantor shall be liable for the repayment of the Initial Investment as a primary obligor. If a Triggering Event occurs Guarantor shall in lawful money of the United States pay to Investor or its order, within sixty (60) days of any Guarantor's receipt of written demand from Investor, all sums due with respect to the Initial Investment. Upon a Triggering Event, Investor shall deliver to Guarantor at each of their addresses, a written demand for payment, which shall set forth the outstanding amount of the Initial Investment then due by Borrower. If the amount of the Initial Investment is determined by a court of competent jurisdiction, that determination shall be conclusive and binding on Guarantor, regardless of whether Guarantor was a party to the proceeding in which the determination was made or not.

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1.4 Guarantor shall be released from its obligations under this Guaranty only upon the first to occur of the following: (a) by a writing signed by Investor releasing Guarantor; (b) satisfaction of the Conversion Conditions; or (c) when all obligations of Guarantor under this Guaranty have been paid and performed in full. Investor shall be entitled to continue to hold this Guaranty in its possession for so long as the Initial Investment remains outstanding. Return of this Guaranty to Guarantor while Initial Investment remains outstanding is not intended to be, nor shall it be, a waiver of any rights that may remain available to Investor under this Guaranty.

2. **Rights of Investor.** Guarantor authorizes Investor to perform any or all of the following acts at any time in its sole and absolute discretion in accordance with Investor's rights under the Agreement or under any applicable laws, all without notice to Guarantor and without affecting Guarantor's obligations under this Guaranty:

2.1 Investor may alter any terms of the Agreement or any part of it.

2.2 Investor may release Borrower of its obligations under the Agreement, provided that such release shall not, in and of itself, create any obligation on the part of Guarantor under this Guaranty unless such release is related to a Triggering Event.

2.3 Investor may substitute, add or release any one or more guarantors or endorsers.

2.4 In addition to the Initial Investment, Investor may extend other credit to Borrower with the prior written consent of the Guarantor in their sole discretion, all without affecting Guarantor's liability under this Guaranty.

2.5 Investor may advance additional funds to Borrower for purposes related to the Agreement.

3. **Guaranty to be Absolute; No Deductions.** Guarantor expressly agrees that until (a) this Guaranty is released pursuant to the terms hereof; or (b) the Initial Investment is paid in full, and each and every term, covenant, and condition of this Guaranty is fully performed, Guarantor (in its role as a guarantor under this Guaranty only) shall not be released by or because of:

3.1 Any act or event which might otherwise discharge, reduce, limit, or modify Guarantor's obligations under this Guaranty;

3.2 Any waiver, extension, modification, forbearance, delay or other act or omission of Investor, or Investor's failure to proceed promptly or otherwise as against Borrower, Guarantor or any security;

3.3 Any action, omission or circumstance which might increase the likelihood that Guarantor may be called upon to perform under this Guaranty or which might affect the rights or remedies of Guarantor as against Borrower;

3.4 Any dealings occurring at any time between Borrower and Investor, whether relating to the Investment or otherwise; or

3.5 Any action of Investor described in [Section 3](#) above.

Guarantor hereby expressly waives and surrenders any defense to any liability under this Guaranty based upon any of such acts, omissions, agreements, waivers or matters. It is the purpose and express intent of Guarantor that Guarantor's obligations under this Guaranty are and shall be absolute, unconditional, and irrevocable. All payments by Guarantor hereunder shall be paid in full without setoff, counterclaim, or deduction.

4. **Guarantor's Waivers.** Except as may be prohibited by applicable law, Guarantor waives (in its role as a guarantor under this Guaranty only):

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**4.1** All statutes of limitations as a defense to any action or proceeding brought against Guarantor by Investor pursuant to this Guaranty;

**4.2** Any defense based on any limitation of liability or recourse in any other Agreement or arising under law or any claim that Guarantor's obligations exceed or are more burdensome than those of Borrower;

**4.3** Any defense based on: (a) any legal disability of Borrower, (b) any release, discharge, modification, impairment or limitation of the liability of Borrower to Investor from any cause, whether consented to by Investor or arising by operation of law or from any bankruptcy or other voluntary or involuntary proceeding, in or out of court, for the adjustment of debtor-creditor relationships, including any proceeding under the Bankruptcy Reform Act of 1978, as amended or recodified (the "**Bankruptcy Code**"), or under any other present or future state or federal law regarding bankruptcy, reorganization or other relief to debtors (collectively, "**Debtor Relief Laws**") (any such proceeding referred to as an "**Insolvency Proceeding**"), or (c) any rejection or disaffirmance of the Agreement, or any part of it, or any security held for it, in any such Insolvency Proceeding;

**4.4** Any defense based on any action taken or omitted by Investor in any Insolvency Proceeding involving Borrower, including any election to have Investor's claim allowed as being secured, partially secured or unsecured, any extension of credit by Investor to Borrower in any Insolvency Proceeding, and the taking and holding by Investor of any security for any such extension of credit;

**4.5** All presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of intention to accelerate, notices of acceleration, notices of any suit or any other action against Borrower or any other person, notices of default, notices of dishonor, notices of acceptance of this Guaranty and of the existence, creation, or incurring of new or additional indebtedness, and demands and notices of every kind except for any demand or notice by Investor to Guarantor expressly provided for elsewhere in this Guaranty;

**4.6** Any defense based on or arising out of any defense that Borrower may have to the payment or performance under the Agreement or any part of them;

**4.7** Any defense based on any lack of authority of the officers, directors, partners, members or agents acting or purporting to act on behalf of Borrower or any principal of Borrower or any defect in the formation of Borrower or any principal of Borrower; and

**4.8** Any defense based on or arising out of any action of Investor described in [Section 2](#) or [Section 3](#) above.

**5. Waivers of Subrogation and Other Rights and Defenses.**

**5.1** Guarantor (in its role as a guarantor under this Guaranty only) waives any rights and defenses that are or may become available to Guarantor by reason of any statute governing guarantees or suretyship, including but not limited to Sections 2787 to 2855, inclusive of the California Civil Code, as such may be amended or recodified from time to time.

**5.2** No provision or waiver in this Guaranty shall be construed as limiting the generality of any other provision or waiver contained in this Guaranty.

**6. Revival and Reinstatement.** If all or any portion of the Initial Investment is paid, the obligations of Guarantor hereunder shall continue and shall remain in full force and effect in the event that all or any part of such payment is avoided or recovered directly or indirectly from Investor as a preference, fraudulent transfer or otherwise under the Bankruptcy Code or under any other Debtor Relief Law or other similar laws, regardless of (a) any notice of revocation given by Guarantor prior to such avoidance or recovery, or (b) full payment . If Investor is required to pay, return, or restore to Borrower or any other person any

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amounts previously paid under the Agreement because of any Insolvency Proceeding of Borrower, or any other reason, the obligations of Guarantor shall be reinstated and revived and the rights of Investor shall continue with regard to such amounts, all as though they had never been paid.

**7. Information Regarding Borrower and the Property.** Before signing this Guaranty, Guarantor investigated the financial condition and business operations of Borrower, the present and former condition, uses and ownership of the Property, and such other matters as Guarantor deemed appropriate to assure itself of Borrower's ability to discharge its obligations under the Agreements. Guarantor assumes full responsibility for that due diligence, as well as for keeping informed of all matters that may affect Borrower's ability to pay and perform its obligations to Investor. Investor has no duty to disclose to Guarantor any information which Investor may have or receive about Borrower's financial condition or business operations, the condition or uses of the Property, or any other circumstances bearing on Borrower's ability to perform.

**8. Bankruptcy of Borrower.** In any Insolvency Proceeding in which the filing of claims is required by law, Guarantor shall file all claims which Guarantor may have against Borrower relating to any indebtedness of Borrower to Guarantor and shall assign to Investor all rights of Guarantor thereunder. Investor or its nominee shall have the right, in its reasonable discretion, to accept or reject any plan proposed in such Insolvency Proceeding and to take any other action which a party filing a claim is entitled to take. In all such cases, whether in administration, bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to Investor the amount payable on such claim and, to the full extent necessary for that purpose, Guarantor hereby assigns to Investor all of Guarantor's rights to any such payments or distributions; provided, however, that Guarantor's obligations hereunder shall not be satisfied except to the extent that Investor receives cash by reason of any such payment or distribution. If Investor receives anything hereunder other than cash, the same shall be held as collateral for amounts due or to become due under this Guaranty.

**9. Financial and Other Information of Guarantor.** Guarantor shall keep true and correct financial books and records, using generally accepted accounting principles consistently applied. Guarantor shall provide to Investor, promptly upon the request of Investor, such financial information as Investor may reasonably request concerning the financial condition of Guarantor.

**10. Representations, Warranties, and Covenants of Guarantor.** Guarantor hereby represents, warrants, and covenants that:

**10.1** If not a natural person, Guarantor is duly organized, validly existing, and in good standing under the laws of the state of its organization and is lawfully doing business in all jurisdictions in which it is conducting its business.

**10.2** This Guaranty is duly authorized and valid, and is binding upon and enforceable against Guarantor.

**10.3** Guarantor will derive a material and substantial benefit, directly or indirectly, from the Investor making the Initial Investment to Borrower and from the making of this Guaranty by Guarantor.

**10.4** All financial statements were or shall be prepared in accordance with generally accepted accounting principles, or such other accounting principles and in compliance with all applicable government regulations, and do or shall fully and accurately present the condition (financial or otherwise) of Guarantor, including all contingent liabilities, as of their dates, and the results of Guarantor's operations for the periods therein specified, and, since the date of the most recent financial statements of Guarantor furnished to Investor. No material adverse change has occurred in the financial condition of Guarantor, nor, except as previously disclosed in the City of San Francisco's Comprehensive Annual Financial Report for 2019, has Guarantor incurred any material liability, direct or indirect, fixed or contingent.

**10.5** There are no litigation, claims, actions, proceedings or investigations pending against Guarantor, that, if determined adversely would materially affect Guarantor's ability to perform its obligations

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under this Guaranty, except for those previously disclosed in the City of San Francisco's Comprehensive Annual Financial Report for 2019. To the best of Guarantor's knowledge and belief, there has been no threat of any such claim, action, proceeding or investigation, except for those previously disclosed by Guarantor to Investor in writing.

**10.6** Guarantor is not, and the execution, delivery and performance by Guarantor of this Guaranty will not cause Guarantor to be, in violation of or in default with respect to any law or in default, or at risk of acceleration of indebtedness, under any agreement or restriction by which Guarantor is bound or affected. No provision or obligation of Guarantor contained in this Guaranty violates any applicable law, regulation or ordinance, or any order or ruling of any court or governmental agency. No consent, approval or authorization of or notice to any person or entity is required in connection with Guarantor's execution of and obligations under this Guaranty.

**10.7** After giving effect to this Guaranty, Guarantor is solvent.

**10.8** Guarantor acknowledges that Investor has no duty at any time to investigate or inform Guarantor of the financial or business condition or affairs of Borrower or any change therein.

**10.9** Guarantor acknowledges and agrees that Guarantor may be required to pay the Initial Investment in full without assistance or support from Borrower or any other entity or person.

**10.10** Guarantor has read and fully understands the provisions contained in the Agreement.

Guarantor's representations, warranties and covenants are a material inducement to Investor making the Initial Investment to Borrower, and shall survive the execution hereof and any bankruptcy, foreclosure, transfer of security or other event affecting Borrower, Guarantor, or any other party.

**11. Events of Default.** Investor may declare Guarantor to be in default under this Guaranty upon the occurrence of any of the following events (each an "**Event of Default**"):

**11.1** Guarantor fails to perform any of its obligations under this Guaranty; or

**11.2** Guarantor attempts to revoke this Guaranty or this Guaranty becomes ineffective for any reason; or

**11.3** Any representation or warranty made or given by Guarantor to Investor proves to be false or misleading in any material respect or ceases to be true; or

**11.4** Guarantor becomes insolvent or the subject of any Insolvency Proceeding; provided, however, that an involuntary Insolvency Proceeding shall not be considered an Event of Default hereunder if it is either (a) consented to in writing by Investor, or (b) has been dismissed within ninety (90) days of the filing thereof; or

**11.5** A material adverse change occurs, or is reasonably likely to occur, in Guarantor's business condition (financial or otherwise), operations, properties or prospects, or ability to pay or perform under this Guaranty; or

**11.6** Guarantor fails to provide financial statements to Investor as provided in **Section 10** above, provided, however that Guarantor shall have thirty (30) days in which to cure such default.

**12. Independent Obligations.** Guarantor's obligations under this Guaranty are independent of those of Borrower under the Agreement or any other guarantor. Investor may bring a separate action, or commence a separate proceeding against Guarantor without first proceeding against Borrower, any other person (including any other guarantor) or any security that Investor may hold, and without pursuing any other remedy. Investor's rights under this Guaranty shall not be exhausted by any action by Investor until

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all of the Initial Investment has been paid and performed in full and this Guaranty has been released pursuant to the terms of this Guaranty.

**13. No Waiver; Consents; Cumulative Remedies.** Each waiver by Investor shall be in writing, and no waiver shall be construed as a continuing waiver. No waiver shall be implied from Investor's delay in exercising or failure to exercise any right or remedy against Borrower, Guarantor or any security. Consent by Investor to any act or omission by Borrower or Guarantor shall not be construed as a consent to any other or subsequent act or omission, or as a waiver of the requirement for Investor's consent to be obtained in any future or other instance. All remedies of Investor against Borrower and Guarantor are cumulative.

**14. Survival.** This Guaranty shall be deemed to be continuing in nature and shall remain in full force and effect and shall survive the exercise of any remedy by Investor, Bond Trustee or Issuer under the Deed of Trust or any of the other Agreement, including, without limitation, any foreclosure or deed in lieu thereof.

**15. Heirs, Successors, and Assigns; Participations.** The terms of this Guaranty shall bind and benefit the heirs, legal representatives, successors, and assigns of Investor and Guarantor and inures to the benefit of Investor and its successors, assigns, and indorsees; provided, however, that Guarantor may not assign this Guaranty, or assign or delegate any of its rights or obligations under this Guaranty, without the prior written consent of Investor.

**16. Notices.** Formal notices, demands, and communications shall be sufficiently given if and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered by reputable overnight delivery service, return receipt requested, or delivered personally with a delivery receipt, to the principal office of the receiving party as follows:

Address for notices to Guarantor:

Mayor's Office of Housing and Community Development  
of the City and County of San Francisco  
One South Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, CA 94103  
Attention: Director

And to:

Treasure Island Development Authority  
One Avenue of the Palms, Suite 241  
Treasure Island  
San Francisco, CA 94130  
Attn: Executive Director

Address for notices to Investor:

[\_\_\_\_\_]

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected party may from time to time designate by mail as provided in this Section. Receipt shall be deemed to have occurred on the date shown on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable).

**17. Rules of Construction.** In this Guaranty, the word "Borrower" includes both the named Borrower and any other person who at any time assumes or otherwise becomes primarily liable for all or any part of the obligations of the named Borrower under the Agreement. The word "person" includes any individual, company, trust or other legal entity of any kind. If this Guaranty is executed by more than one person, the word "Guarantor" includes all such persons. The word "include(s)" means "include(s), without limitation," and the word "including" means "including, but not limited to." When the context and construction so

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require, all words used in the singular shall be deemed to have been used in the plural and vice versa. No listing of specific instances, items or matters in any way limits the scope or generality of any language of this Guaranty. All headings appearing in this Guaranty are for convenience only and shall be disregarded in construing this Guaranty.

**18. Governing Law.** This Guaranty shall be governed by, and construed in accordance with, the laws of the State of California, without regard to the choice of law rules of that state, except to the extent that any of such laws may now or hereafter be preempted by Federal law. Guarantor and all persons and entities in any manner obligated to Investor under this Guaranty (a) consent to the jurisdiction of any Federal or State Court within the State of California, (b) submit to venue in such state, and (c) consent to service of process by any means authorized by Federal law or the law of such state. Without limiting the generality of the foregoing, Guarantor hereby waives and agrees not to assert by way of motion, defense, or otherwise in such suit, action, or proceeding, any claim that (i) any Guarantor is not subject to the jurisdiction of the courts of the State of California or the United States District Court for such state; (ii) that such suit, action, or proceeding is brought in an inconvenient forum; or (iii) that the venue of such suit, action, or proceeding is improper.

**19. Costs and Expenses.** Without limiting the generality of the obligation of Guarantor to pay the fees and expenses of Investor as provided in this Guaranty, if any lawsuit, reference, or arbitration is commenced which arises out of, or which relates to this Guaranty, the prevailing party shall be entitled to recover from each other party such sums as the court, referee, or arbitrator may adjudge to be reasonable attorneys' fees (including allocated costs for services of in-house counsel, to the extent not prohibited by applicable law) in the action or proceeding, in addition to costs and expenses otherwise allowed by law. From the time(s) incurred until paid in full to Investor, all sums shall bear interest at the Default Rate (as defined in the Note). For the avoidance of doubt, the Guarantor's obligation to pay one hundred percent (100%) of the amount described in this **Section 19** shall in no way be reduced, modified or affected by the limitations on Guarantor's liability under this Guaranty as set forth in **Section 1** hereof.

**20. Consideration.** Guarantor acknowledges that it expects to benefit from Investor's Initial Investment to Borrower because of its relationship to Borrower, and that it is executing this Guaranty in consideration of that anticipated benefit.

**21. Exchange of Information.** Guarantor agrees that Investor may exchange financial information about the Guarantor with Investor's affiliates and other related entities.

**22. Enforceability.** Guarantor acknowledges that Guarantor has had adequate opportunity to carefully read this Guaranty and to seek and receive legal advice from skilled legal counsel of Guarantor's choice in the area of financial transactions of the type contemplated herein prior to signing it. Guarantor hereby acknowledges that: (a) the obligations undertaken by Guarantor in this Guaranty are complex in nature, (b) numerous possible defenses to the enforceability of these obligations may presently exist and/or may arise hereafter, and (c) as part of Investor's consideration for entering into this transaction, Investor has specifically bargained for the waiver and relinquishment by Guarantor of certain defenses set forth in this Guaranty. Given all of the above, Guarantor does hereby represent and confirm to Investor that Guarantor is fully informed regarding, and that Guarantor does thoroughly understand: (i) the nature of such possible defenses, (ii) the circumstances under which such defenses may arise, (iii) the benefits which such defenses might confer upon Guarantor, and (iv) the legal consequences to Guarantor of waiving such defenses. Guarantor acknowledges that Guarantor makes this Guaranty with the intent that this Guaranty and all of the informed waivers herein shall each and all be fully enforceable by Investor, and that Investor is induced to enter into this transaction in material reliance upon the presumed full enforceability thereof.

**23. Miscellaneous.** This Guaranty may be executed in counterparts, and all counterparts shall constitute but one and the same document. The illegality or unenforceability of one or more provisions of this Guaranty shall not affect any other provision. Time is of the essence in the performance of this Guaranty by Guarantor. The liability of all persons who are in any manner obligated under this Guaranty shall be joint and several.



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**24. Integration; Modifications.** This Guaranty (a) integrates all the terms and conditions mentioned in or incidental to this Guaranty, (b) supersedes all oral negotiations and prior writings with respect to its subject matter, and (c) is intended by Guarantor and Investor as the final expression of the agreement with respect to the terms and conditions set forth in this Guaranty and as the complete and exclusive statement of the terms agreed to by Guarantor and Investor. No representation, understanding, promise or condition shall be enforceable against any party hereto unless it is contained in this Guaranty. This Guaranty may not be modified except in a writing signed by both Investor and Guarantor. No course of prior dealing, usage of trade, parol or extrinsic evidence of any nature shall be used to supplement, modify or vary any of the terms hereof.

**25. Joint and Several Liability.** The liability of all persons who are in any manner obligated under this Guaranty shall be joint and several. If more than one person or party has executed this Guaranty as a Guarantor, each such person or party shall be jointly and severally liable.

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**IN WITNESS WHEREOF**, the parties hereto have executed this Guaranty as of the date first above written.

**"GUARANTOR"**

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

By: \_\_\_\_\_  
Daniel Adams, Acting Director  
Mayor's Office of Housing and  
Community Development

APPROVED AS TO FORM:

DENNIS HERRERA  
City Attorney

By: \_\_\_\_\_  
Keith Nagayama,  
Deputy City Attorney

**TREASURE ISLAND DEVELOPMENT AUTHORITY**,  
a California public benefit corporation

By: \_\_\_\_\_  
Bob Beck  
Executive Director