

File No. 251261

Committee Item No. 13

Board Item No. 15

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date January 14, 2026

Board of Supervisors Meeting Date January 27, 2026

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Contract/Agreement |
- Draft EIFD Acquisition and Finance Agreement
 - Draft Infrastructure Financing Plan
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OTHER [\(Click on the links to be forwarded to the Legislative Research Center to view the entirety of voluminous files\)](#)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Development Agreement 9/11/2020 |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Memo of Minor Modification of DA Amendment No. 1 6/26/2024 |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | DA Amendment No. 2 5/7/2025 |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | PLN Commission Motion No. 21731 5/1/2025 |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Noticing Documents |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | OPF Presentation 1/14/2026 |
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Completed by: Brent Jalipa Date January 8, 2026

Completed by: Brent Jalipa Date January 22, 2026

1 [Infrastructure Financing Plan and Related Documents and Actions - San Francisco Enhanced
2 Infrastructure Financing District No. 3 (3333/3700 California Street)]

3 **Resolution approving the Infrastructure Financing Plan for the San Francisco**
4 **Enhanced Infrastructure Financing (EIFD) District No. 3 (3333/3700 California Street),**
5 **including the division of taxes set forth therein, an EIFD Acquisition and Financing**
6 **Agreement, and documents and actions related thereto, as defined herein; and**
7 **authorizing the filing of a judicial validation action.**

8

9 WHEREAS, Laurel Heights Partners, LLC, a Delaware limited liability company (“3333
10 California Street Developer”), owns and operates an approximately 10.25-acre site located in
11 the City and County of San Francisco (“City”) bounded by California Street to the north,
12 Presidio Avenue to the east, Masonic Avenue to the southeast, Euclid Avenue to the south,
13 and Laurel Street and Mayfair Drive to the west, currently comprised of an approximately
14 455,000 gross square foot office building, an approximately 14,000 gross square foot annex
15 building, surface and subsurface parking areas, and landscaping or landscaped open space
16 (“3333 California Street Project Site”); and

17 WHEREAS, The City, acting by and through its Planning Department, and the 3333
18 California Street Developer entered into a Development Agreement dated as of September
19 11, 2020, and recorded in the Official Records on September 11, 2020, as Document No.
20 2020015925 (“Original Development Agreement”), and a Memorandum of Minor Modification
21 of Development Agreement (Amendment No. 1) dated as of June 5, 2024, and recorded in the
22 Official Records on June 26, 2024, as Document No. 2024048267 (“Amendment No. 1”), and
23 a Second Amendment to Development Agreement, dated as of April 30, 2025 and recorded in
24 the Official Records on May 7, 2025, as Document No. 2025034503 (“Amendment No. 2” and
25 together with Amendment No. 1 and the Original Development Agreement, the “3333

1 California Street Development Agreement”), and a copy of the 3333 California Street
2 Development Agreement is on file with the Clerk of the Board of Supervisors in File No.
3 240816; and

4 WHEREAS, The 3333 California Street Developer proposes to construct a mixed-use
5 development on the 3333 California Street Project Site that will include residential, non-
6 residential, open space, child care, and related uses, including (i) approximately 744
7 residential units, including approximately 124 on-site affordable senior residential units, (ii)
8 approximately 38,094 square feet of retail/restaurant/commercial use in buildings along
9 California Street, (iii) an approximately 13,933 gross square foot space for child care use, and
10 (iv) approximately 52 percent of the overall lot area (approximately 236,000 square feet –
11 excluding green roofs) as open area, with portions to be developed with a combination of
12 public open space, common open space (some of which would be open to the public) and
13 private open space for residents; the proposed 3333 California Street Project would include
14 2.87 acres of publicly accessible landscaped open space with multi-purpose plazas, lawns,
15 pathways and streetscape improvements (collectively, the “3333 California Street Project”);
16 and

17 WHEREAS, On September 5, 2019, by Motion No. 20512, the Planning Commission
18 certified as adequate, accurate and complete the Final Environmental Impact Report (“3333
19 California Street FEIR”) for the 3333 California Street Project pursuant to the California
20 Environmental Quality Act (California Public Resources Code Section 21000 et seq.)
21 (“CEQA”); a copy of Planning Commission Motion No. 20512 is on file with the Clerk of the
22 Board of Supervisors in File No. 190947; also, on September 5, 2019, by Motion No. 20513,
23 the Planning Commission adopted findings, including a rejection of alternatives and a
24 statement of overriding considerations (“3333 California Street CEQA Findings”) and a
25 Mitigation Monitoring and Reporting Program (“3333 California Street MMRP”); these Motions

1 are on file with the Clerk of the Board of Supervisors in File No. 190947; in Ordinance No.
2 276-19, adopted by the Board of Supervisors on November 19, 2019, and signed by the
3 Mayor on November 27, 2019, the Board of Supervisors declared that it had reviewed the
4 3333 California Street FEIR and related documents, and adopted as its own and incorporated
5 by reference as though fully set forth therein the 3333 California Street CEQA Findings,
6 including the statement of overriding considerations, and the 3333 California Street MMRP,
7 and adopted the supplemental 3333 California Street CEQA findings on file with the Clerk of
8 the Board of Supervisors in File No. 190845; and

9 WHEREAS, On November 19, 2024, the Board of Supervisors adopted Resolution
10 No. 271-24, signed by the Mayor on November 25, 2024, pursuant to which the Board of
11 Supervisors (i) approved Amendment No. 2, (ii) found that, on October 10, 2024, the San
12 Francisco Planning Department issued an addendum to the 3333 California Street FEIR
13 (“3333 California Street FEIR Addendum”) finding that Amendment No. 2 would not change
14 the conclusions in the 3333 California Street FEIR and Amendment No. 2 would not result in
15 any new or more severe environmental impacts than were previously identified in the 3333
16 California Street FEIR (a copy of the 3333 California Street FEIR Addendum is on file with the
17 Clerk of the Board of Supervisors in File No. 240797) and (iii) found that the 3333 California
18 Street FEIR and the 3333 California Street FEIR Addendum are adequate for their use for the
19 actions taken by Resolution No. 271-24 and that, pursuant to CEQA Guidelines Section
20 15162, no additional environmental review is required; and

21 WHEREAS, CALIFORNIA 3700, LLC, a Delaware limited liability company (“3700
22 California Street Developer” and, together with the 3333 California Street Developer, the
23 “Developers”) owns 14 parcels on a 4.9-acre site located in the City on California Street
24 between Maple Street and Cherry Street (“3700 California Street Project Site”); and
25

1 WHEREAS, The 3700 California Street Developer proposed, and the City approved, a
2 modification to existing entitlements that allows a mixed-use development on the 3700
3 California Street Project Site that will include demolition of five of the six existing hospital
4 buildings on the 3700 California Street Project Site, including a five-story accessory parking
5 garage; demolition of a two-level, below-grade parking structure; renovation and adaptive re-
6 use of a portion of the Marshal Hale hospital building at 3698 California Street to residential
7 and institutional use; retention and renovation of the existing nine-unit residential building at
8 401 Cherry Street; construction of approximately 19 new buildings that may contain
9 approximately 492 dwelling units, including 15 single-family homes and four multi-family
10 residential buildings (exclusive of the nine units in the existing 401 Cherry Street building that
11 are not included in the boundaries of the EIFD), and approximately 74 institutional units for
12 assisted living and memory care; and construction of approximately 45,500 square feet of
13 residential and 8,400 square feet of institutional shared onsite amenity space and
14 approximately 70,700 square feet of private and common open space areas for residents
15 (collectively, the “3700 California Street Project”); and

16 WHEREAS, The City and the 3700 California Street Developer have not executed a
17 development agreement related to the 3700 California Street Project; and

18 WHEREAS, On February 27, 2020, by Motion No. 20671, the Planning Commission
19 certified as adequate, accurate, and complete for the existing entitlements of the 3700
20 California Street Project the Final Environmental Impact Report (“3700 California Street
21 FEIR”) for the 3700 California Street Project pursuant to CEQA; a copy of Planning
22 Commission Motion No. 20671 is on file with the Clerk of the Board of Supervisors in File No.
23 240816; also, on February 27, 2020, by Motion No. 20677, the Planning Commission adopted
24 findings (“3700 California Street CEQA Findings”) and a Mitigation Monitoring and Reporting
25 Program (“3700 California Street MMRP”) for the 3700 California Street Project; these

1 Motions are on file with the Clerk of the Board of Supervisors in File No. 240816; the Planning
2 Commission also declared in its Motion No. 20672, on February 27, 2020, that it had reviewed
3 and considered the 3700 California Street FEIR and related documents, and adopted and
4 incorporated by reference as though fully set forth therein, the 3700 California Street MMRP
5 and the 3700 California Street CEQA Findings; and

6 WHEREAS, Subsequent to certification of the 3700 California Street FEIR, the 3700
7 California Street Project was revised, and, on April 10, 2025, the San Francisco Planning
8 Department issued an addendum to the 3700 California Street FEIR (“3700 California Street
9 FEIR Addendum”) in which the Planning Department concluded that the revised 3700
10 California Street Project would not cause new significant impacts not identified in the 3700
11 California Street FEIR, no new mitigation measures would be necessary to reduce significant
12 impacts, and no supplemental environmental review is required beyond the 3700 California
13 Street FEIR Addendum; and

14 WHEREAS, On May 1, 2025, by Motion No. 21731, the Planning Commission
15 approved a conditional use application for the 3700 California Street Project to modify the
16 prior February 27, 2020 approvals and incorporated by reference the 3700 California Street
17 CEQA Findings contained in Motion No. 20677; and

18 WHEREAS, The 3333 California Street Project and 3700 California Street Project are
19 both being developed by Prado Group, Inc.; and

20 WHEREAS, The 3333 California Street Project Site and the 3700 California Street
21 Project Site are collectively referred to in this Resolution as the “3333/3700 California Street
22 Project Sites”; and

23 WHEREAS, The 3333 California Street Project and the 3700 California Street Project
24 are collectively referred to in this Resolution as the “3333/3700 California Street Projects”; and

25

1 WHEREAS, Pursuant to Resolution No. 66-11, which was adopted by the Board of
2 Supervisors on February 8, 2011, and signed by the Mayor on February 18, 2011, and a copy
3 of which is in File No. 110036, the Board of Supervisors adopted Final Board of Supervisors
4 Guidelines for the Establishment and Use of Infrastructure Financing Districts in San
5 Francisco (“Guidelines”) that describe minimum threshold criteria and strategic criteria for the
6 City to consider when evaluating the proposed formation of an infrastructure financing district;
7 and

8 WHEREAS, On February 27, 2023, the Capital Planning Committee adopted an
9 interpretative supplement to the Guidelines (“Interpretive Supplement”) to provide guidance to
10 City staff and the development community about application of the Guidelines, and pursuant
11 to Resolution No. 113-24, which was adopted by the Board of Supervisors on March 19, 2024,
12 and signed by the Mayor on March 21, 2024, and a copy of which is in File No. 240139, the
13 Board of Supervisors ratified the Guidelines; and

14 WHEREAS, Under the minimum threshold criteria set forth in the Guidelines, the
15 maximum incremental property tax revenue that may be allocated to an infrastructure
16 financing district is 50% of the total incremental property tax revenue, although the City
17 may allocate all or a portion of the remaining 50% of the incremental property tax revenue
18 on a conditional basis to provide debt service coverage for the infrastructure financing
19 district's bonds or other debt; and

20 WHEREAS, Under the Guidelines, the “incremental property tax revenue” that can
21 be allocated by the City to an infrastructure financing district includes: (1) “general property
22 tax increment,” i.e., property tax revenue annually allocated to the City and generated by
23 the levy of the 1% ad valorem tax rate upon the increased assessed values of taxable
24 property in the infrastructure financing district above the values shown upon the
25 assessment roll that was last equalized before the formation of the IFD and (2) “MVILF tax

1 increment,” i.e., that portion of any ad valorem property tax revenue annually allocated to
2 the City pursuant to Revenue and Taxation Code, Section 97.70 and that corresponds to the
3 increase in the assessed valuation of taxable property; and

4 WHEREAS, The 3333/3700 California Street Projects will provide significant public
5 benefits to the City, including the conversion of two vacant buildings into significant new
6 housing units to contribute to the City's housing supply, including affordable housing, as well
7 as the construction and maintenance of new privately-owned publicly accessible open space
8 and pedestrian pathways, transportation demand management measures, street and
9 infrastructure improvements, and on-site childcare facilities, but the 3333/3700 California
10 Street Projects have significant public infrastructure obligations that must be completed before
11 the 3333/3700 California Street Projects' residential units and community benefits can be
12 constructed; and

13 WHEREAS, The 3333/3700 California Street Projects are eligible for financial
14 assistance from an infrastructure financing district under the Guidelines; and

15 WHEREAS, Under Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California
16 Government Code (commencing with Section 53398.50, and herein referred to as the “EIFD
17 Law”), the Board of Supervisors is authorized to initiate the process to establish an enhanced
18 infrastructure financing district (including project areas therein) and approve an infrastructure
19 financing plan allocating tax revenues to such enhanced infrastructure financing district; and

20 WHEREAS, Under the EIFD Law, the California Legislature has determined that the
21 allocation and payment to an enhanced infrastructure financing district of the portion of
22 property tax revenues for the purpose of paying principal of, or interest on, loans, advances,
23 or indebtedness incurred by the district pursuant to this chapter, shall not be deemed the
24 receipt by a district of proceeds of taxes levied by or on behalf of the district within the
25 meaning or for the purposes of Article XIII B of the California Constitution, nor shall that

1 portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to
2 limitation of, any other public body within the meaning or for purposes of Article XIII B of the
3 California Constitution or any statutory provision enacted in implementation of Article XIII B of
4 the California Constitution; and

5 WHEREAS, Pursuant to Resolution No. 553-24, adopted by the Board of Supervisors
6 on November 5, 2024, and signed by the Mayor on November 14, 2024 (“Resolution of
7 Intention”), the Board of Supervisors declared its intention to establish San Francisco
8 Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street) (“3333/3700
9 California Street EIFD”) over the 3333/3700 California Street Project Sites, including project
10 areas (each, “Project Area”; collectively, “Project Areas”) pursuant to the EIFD Law, to finance
11 (i) the purchase, construction, expansion, improvement, seismic retrofit or rehabilitation of
12 certain real or other tangible property with an estimated useful life of 15 years or longer that
13 are public capital facilities or other projects of communitywide significance that provide
14 significant benefits to the 3333/3700 California Street EIFD or the surrounding community,
15 including any directly-related planning and design work and (ii) the costs described in
16 Government Code Sections 53398.56, 53398.57 and 53398.58 (as applicable), all as more
17 fully described in Exhibit A attached to the Resolution of Intention; and

18 WHEREAS, The Board of Supervisors established the Enhanced Infrastructure
19 Financing District Public Financing Authority No. 1 (“EIFD Public Financing Authority No. 1”)
20 pursuant to Ordinance No. 44-23, which was adopted on April 4, 2023, and signed by the
21 Mayor on April 7, 2023 (“Ordinance Establishing PFA”), which Ordinance established Article
22 XLVIII of Chapter 5 of the Administrative Code to govern the EIFD Public Financing Authority
23 No. 1; and

24 WHEREAS, Pursuant to Ordinance No. 210-24. which was passed by the Board of
25 Supervisors on July 23, 2024, and signed by the Mayor on August 1, 2024, Article XLVIII of

1 Chapter 5 of the Administrative Code was amended to provide for the EIFD Public Financing
2 Authority No. 1 to act as the governing body of multiple enhanced infrastructure financing
3 districts on such terms and conditions as the Board of Supervisors shall determine in the
4 resolution of intention for such districts; and

5 WHEREAS, In the Resolution of Intention, the Board of Supervisors designated the
6 EIFD Public Financing Authority No. 1 to act as the governing board of the 3333/3700
7 California Street EIFD; and

8 WHEREAS, The EIFD Public Financing Authority No. 1 is responsible for causing
9 preparation of the infrastructure financing plan for the 3333/3700 California Street EIFD
10 (“3333/3700 California Street IFP”), which will describe, among other things, the allocation by
11 the City to the 3333/3700 California Street EIFD of certain incremental property tax revenue
12 for the purpose of financing public capital facilities or other specified projects of
13 communitywide significance that provide significant benefits to the 3333/3700 California Street
14 EIFD or the surrounding community and the issuance by the 3333/3700 California Street EIFD
15 of bonds and other debt; and

16 WHEREAS, On July 17, 2025, pursuant to Resolution No. 2025-03, the EIFD Public
17 Financing Authority No. 1 directed the Executive Director of the EIFD Public Financing
18 Authority No. 1 to work with the necessary City staff and professionals to prepare a draft of
19 the 3333/3700 California Street IFP and make such 3333/3700 California Street IFP available
20 to interested parties as required by the EIFD Law; and

21 WHEREAS, On September 11, 2025, the EIFD Public Financing Authority No. 1 held a
22 public meeting at which the draft 3333/3700 California Street IFP was presented; and

23 WHEREAS, On January 8, 2026, the EIFD Public Financing Authority No. 1 held its
24 first public hearing on the draft 3333/3700 California Street IFP and considered written and
25

1 oral comments, after which the EIFD Public Financing Authority No. 1 adopted a resolution
2 modifying the draft IFP; and

3 WHEREAS, A copy of the draft 3333/3700 California Street IFP, on file with the Clerk
4 of the Board of Supervisors in File No. 251261, has been presented to the Board of
5 Supervisors for its review and approval; and

6 WHEREAS, Among other things, the 3333/3700 California Street IFP provides that the
7 proposed 3333/3700 California Street EIFD will consist of 4 original project areas and, upon
8 subdivision of certain properties within Project Area A and the creation of new Project Areas,
9 will consist of 6 Project Areas, and that the creation of the new Project Areas and the
10 replacement of a part of Project Area A shall occur automatically without any public hearing
11 and without further approval by the EIFD Public Financing Authority No. 1 or the Board of
12 Supervisors; and

13 WHEREAS, The 3333/3700 California Street IFP further provides for changes to the
14 boundaries of one or more Project Areas in the future in order to conform such Project Areas
15 to the final development parcels established by the recordation of one or more final
16 subdivision maps for the Subject Property (as defined in the 3333/3700 California Street IFP)
17 so that the California State Board of Equalization can assign tax rate areas to all of the
18 development parcels comprising the 3333/3700 California Street Projects, which changes will
19 not require the approval of the Board of Supervisors; and

20 WHEREAS, In accordance with the Resolution of Intention, the Clerk of the Board (i)
21 published a notice of public hearing in the San Francisco Examiner and (ii) mailed a copy of
22 such notice to (A) each owner of land (as defined in the EIFD Law) within the proposed EIFD,
23 (B) each affected taxing entity (as defined in the EIFD Law), if any, and (C) the EIFD Public
24 Financing Authority No. 1; and

1 WHEREAS, The Budget and Finance Committee of the Board of Supervisors held a
2 noticed public hearing relative to the 3333/3700 California Street IFP on January 14, 2026;
3 and

4 WHEREAS, At the hearing all interested persons desiring to be heard on all matters
5 pertaining to the 3333/3700 California Street IFP were heard and a full and fair hearing was
6 held; and

7 WHEREAS, In accordance with Section 53398.68 of the EIFD Law, the Board of
8 Supervisors desires to approve the 3333/3700 California Street IFP pursuant to which
9 incremental property tax revenue from the City within the boundary of the 3333/3700
10 California Street EIFD (including the initial Project Areas and the successor Project Areas as
11 described in the 3333/3700 California Street IFP) will be used to finance the activities of the
12 3333/3700 California Street EIFD, subject to, and in accordance with, the terms and
13 conditions of the 3333/3700 California Street IFP; and

14 WHEREAS, The 3333/3700 California Street IFP provides that the 3333/3700
15 California Street EIFD's sole purpose is to provide financing for the public capital facilities or
16 other projects (whether publicly- or privately-owned) of communitywide significance, including
17 affordable housing, described in Exhibit C thereto ("Facilities"), and that the financing purpose
18 will be documented in an EIFD Acquisition and Financing Agreement ("EIFD Acquisition and
19 Financing Agreement") among the City, the Developers and the 3333/3700 California Street
20 EIFD to be executed simultaneously with the formation of the 3333/3700 California Street
21 EIFD; and

22 WHEREAS, The 3333/3700 California Street IFP further provides that the EIFD
23 Acquisition and Financing Agreement will describe (1) the conditions under which the City will
24 acquire Acquisition Facilities (as defined in the EIFD Acquisition and Financing Agreement) or
25 reimburse the Actual Costs (as defined in the EIFD Acquisition and Financing Agreement) of

1 the Developers for construction of the Privately-Owned Facilities (as defined in the EIFD
2 Acquisition and Financing Agreement), (2) the circumstances in which the 3333/3700
3 California Street EIFD may finance Privately-Owned Facilities at the request of the
4 Developers, including issuing bonds to finance construction of Privately-Owned Facilities
5 constructed by parties other than the Developers, (3) the 3333/3700 California Street EIFD's
6 use of bond proceeds, Allocated Tax Revenue (as defined in the 3333/3700 California Street
7 IFP), and Conditional Tax Revenue (as defined in the 3333/3700 California Street IFP) to
8 finance the City's payment obligations and other authorized purposes, and (4) the items
9 described in Section 3.1(g) of the Financing Plan included as Exhibit O of the 3333 California
10 Street Development Agreement; and

11 WHEREAS, A form of the EIFD Acquisition and Financing Agreement is on file with the
12 Clerk of the Board of Supervisors, and the Board of Supervisors wishes to approve the form of
13 such EIFD Acquisition and Financing Agreement and to authorize the execution and delivery
14 of such EIFD Acquisition and Financing Agreement; and

15 WHEREAS, In accordance with Section 53398.57 of the EIFD Law, the EIFD Public
16 Financing Authority No. 1 and/or the City may file an action in the Superior Court of the City
17 and County of San Francisco to determine the validity of the creation of the 3333/3700
18 California Street EIFD and the Project Areas (including the initial Project Areas and any
19 successor Project Areas, as described in the 3333/3700 California Street IFP), the adoption of
20 the 3333/3700 California Street IFP, including the division of taxes thereunder, and related
21 matters; and

22 WHEREAS, In accordance with Section 53398.58 of the EIFD Law, the EIFD Public
23 Financing Authority No. 1 and/or the City may file an action in the Superior Court of the City
24 and County of San Francisco to determine the validity of bonds issued pursuant to the EIFD
25 Law; now, therefore, be it

1 RESOLVED, That the Board of Supervisors hereby finds that the recitals are true and
2 correct; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors further finds and determines
4 that all prior proceedings taken by EIFD Public Financing Authority No. 1 and the City with
5 respect to the proposed establishment of the 3333/3700 California Street EIFD and the
6 Project Areas (including the initial Project Areas and the successor Project Areas, as
7 described in the 3333/3700 California Street IFP) and adoption of the 3333/3700 California
8 Street IFP are valid and in conformity with applicable law; and, be it

9 FURTHER RESOLVED, That the Board of Supervisors hereby approves the
10 3333/3700 California Street IFP in the form on file with the Clerk of the Board of Supervisors
11 in File No. 251261 and incorporated herein, and hereby finds that the proposed 3333/3700
12 California Street EIFD and the Project Areas (including the initial Project Areas and the
13 successor Project Areas, as described in the 3333/3700 California Street IFP), including the
14 properties included therein, and the 3333/3700 California Street IFP including the division of
15 taxes thereunder, are consistent with the Guidelines and Interpretive Supplement; and, be it

16 FURTHER RESOLVED, That the Board of Supervisors hereby finds and determines
17 that the 3333/3700 California Street IFP is consistent with the General Plan; and be it

18 FURTHER RESOLVED, That pursuant to the 3333/3700 California Street IFP,
19 incremental property tax revenue from the City within the boundary of the 3333/3700
20 California Street EIFD (including the Project Areas) will be used to finance the activities of the
21 3333/3700 California Street EIFD, subject to, and in accordance with, the terms and
22 conditions of the 3333/3700 California Street IFP; and, be it

23 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes an
24 Authorized Officer to make such changes to the 3333/3700 California Street IFP in the form
25 on file with the Clerk of the Board of Supervisors in File No. 251261 as such Authorized

1 Officer determines are consistent with and furthers the purposes of the 3333/3700 California
2 Street EIFD and the 3333/3700 California Street IFP and does not materially increase the
3 City’s liability under the 3333/3700 California Street IFP or otherwise change the core
4 purposes of the 3333/3700 California Street EIFD; and, be it

5 FURTHER RESOLVED, That the Board of Supervisors hereby approves the execution
6 and delivery of the EIFD Acquisition and Financing Agreement, among the City, the
7 3333/3700 California Street EIFD and the Developers in substantially the form on file with the
8 Clerk of the Board of Supervisors; each of the Mayor, the Controller, the Director of Public
9 Works and the Director of the Office of Public Finance, or such other official of the City as may
10 be designated by such officials (each, an “Authorized Officer”), is hereby authorized and
11 directed to execute and deliver, and the Clerk of the Board of Supervisors is hereby
12 authorized and directed to attest to, the EIFD Acquisition and Financing Agreement, together
13 with such additions or changes that do not increase the financial liability of the City as are
14 approved by such Authorized Officer upon consultation with the City Attorney; and, be it

15 FURTHER RESOLVED, That an Authorized Officer and the City Attorney, in
16 consultation with Jones Hall LLP, as bond counsel, are hereby authorized and directed to
17 initiate a judicial validation action with respect to the creation of the 3333/3700 California
18 Street EIFD and the Project Areas, the adoption of the 3333/3700 California Street IFP, the
19 allocation of incremental property tax revenue from the City within the boundary of the
20 3333/3700 California Street EIFD (including the Project Areas) to the 3333/3700 California
21 Street EIFD for the purpose of financing the activities of the 3333/3700 California Street EIFD,
22 the validity of the issuance of bonds pursuant to the EIFD Law and all the proceedings relating
23 thereto, and such other matters as the City Attorney and bond counsel deem appropriate in
24 order to carry out the purposes of the 3333/3700 California Street IFP, pursuant to Sections
25

1 53398.57 and 53398.58 of the EIFD Law and Section 860 et seq. of Code of Civil Procedure;
2 and, be it

3 FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered
4 the 3333 California Street FEIR and 3333 California Street FEIR Addendum, and finds that
5 the 3333 California Street FEIR and 3333 California Street FEIR Addendum are adequate for
6 their use for the actions taken by this resolution and incorporates the 3333 California Street
7 FEIR and the 3333 California Street CEQA Findings contained in Ordinance No. 276-19 and
8 the 3333 California Street FEIR Addendum by this reference and further finds that, pursuant
9 to CEQA Guidelines Section 15162, no additional environmental review is required because
10 there are no substantial changes to the 3333 California Street Project analyzed in the 3333
11 California Street FEIR and the 3333 California Street FEIR Addendum, no change in
12 circumstances under which the 3333 California Street Project is being undertaken, and no
13 new information that was not known and could not have been known shows that new
14 significant impacts would occur, or that the impacts identified in the 3333 California Street
15 FEIR and the 3333 California Street FEIR Addendum as significant impacts would be
16 substantially more severe, or that mitigation or alternatives previously found infeasible are
17 now feasible; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered
19 the 3700 California Street FEIR and 3700 California Street FEIR Addendum, and finds that
20 the 3700 California Street FEIR and 3700 California Street FEIR Addendum are adequate for
21 their use for the actions taken by this resolution and incorporates the 3700 California Street
22 FEIR and the 3700 California Street CEQA Findings contained in Motion No. 20671, 20672,
23 20677 and 21731 and the 3700 California Street FEIR Addendum by this reference and
24 further finds that, pursuant to CEQA Guidelines Section 15162 and Section 15164, no
25 additional environmental review is required because there are no substantial changes to the

1 3700 California Street Project analyzed in the 3700 California Street FEIR and the 3700
2 California Street FEIR Addendum, no change in circumstances under which the 3700
3 California Street Project is being undertaken, and no new information that was not known and
4 could not have been known shows that new significant impacts would occur, that the impacts
5 identified in the 3700 California Street FEIR and the 3700 California Street FEIR Addendum
6 as significant impacts would be substantially more severe, or that mitigation or alternatives
7 previously found infeasible are now feasible; and, be it

8 FURTHER RESOLVED, That the Board of Supervisors found the 3333 California
9 Street Development Agreement to conform with the General Plan and the eight priority
10 policies of Planning Code, Section 101.1, by the findings set forth in Section 3 of Ordinance
11 No. 276-19 (File No. 190845) and Section 3(d) of Ordinance 271-24 (File No. 240797), and
12 the Board of Supervisors incorporates the foregoing findings and determines that such
13 findings are adequate for the actions taken by this Resolution; and, be it

14 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
15 word of this resolution, or any application thereof to any person or circumstance, is held to be
16 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
17 shall not affect the validity of the remaining portions or applications of this resolution, this
18 Board of Supervisors hereby declaring that it would have passed this resolution and each and
19 every section, subsection, sentence, clause, phrase, and word not declared invalid or
20 unconstitutional without regard to whether any other portion of this resolution or application
21 thereof would be subsequently declared invalid or unconstitutional; and, be it

22 FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Office of
23 Public Finance, the Clerk of the Board of Supervisors and any and all other officers of the City
24 are hereby authorized, for and in the name of and on behalf of the City, to do any and all
25 things and take any and all actions, including execution and delivery of any and all

1 documents, assignments, certificates, requisitions, agreements, notices, consents,
2 instruments of conveyance, warrants and documents, which they, or any of them, may deem
3 necessary or advisable in order to effectuate the purposes of this Resolution; provided
4 however that any such actions be solely intended to further the purposes of this Resolution,
5 and are subject in all respects to the terms of the Resolution; and, be it

6 FURTHER RESOLVED, That all actions authorized and directed by this Resolution,
7 consistent with any documents presented herein, and heretofore taken are hereby ratified,
8 approved and confirmed by this Board of Supervisors; and, be it

9 FURTHER RESOLVED, That this Resolution shall take effect upon its enactment.
10 Enactment occurs when the Mayor signs the Resolution, the Mayor returns the Resolution
11 unsigned or does not sign the Resolution within ten days of receiving it, or the Board of
12 Supervisors overrides the Mayor's veto of the resolution.

13

14 APPROVED AS TO FORM:
15 DAVID CHIU, City Attorney

16

17 By: /s/ Mark D. Blake
18 Mark D. Blake
Deputy City Attorney

19 4920-4410-8161, v. 2

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<p>Item 13 File 25-1261</p>	<p>Department: Controller’s Office of Public Finance</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed resolution would approve the Infrastructure Financing Plan for the Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street), including the division of taxes, an EIFD Acquisition and Financing Agreement, and related documents and actions to facilitate the delivery of public infrastructure and advance housing production. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • In November 2024, the Board of Supervisors approved a resolution of intention to establish San Francisco Enhanced Infrastructure Financing District No.3 to finance public infrastructure and affordable housing for 3333/3700 California Street projects. • Collectively, the redevelopment of 3333 and 3700 California streets includes 1,274 residential units, including 125 units of affordable senior housing, 38,000 square feet of retail use, and a childcare center. • The proposed Infrastructure Financing Plan documents how incremental property tax revenue generated within the EIFD will be used to reimburse eligible costs, including public facilities (such as roads and utilities) and privately-owned facilities (such as affordable housing). The financing plan is consistent with City guidelines for infrastructure financing districts, which limits the City’s contribution of tax increment to 50 percent of the City’s share of property taxes and limits Citywide diversion of property taxes for infrastructure financing districts to no more than five percent. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The proposed resolution would allocate 58.3 percent of incremental property tax revenues within the EIFD to eligible costs up to a maximum of \$955 million over the term of the district. The remaining 41.7 percent of the City’s share of tax increment would be allocated as “conditional increment” to provide additional debt service if needed up to a maximum of \$684 million. • The total estimated cost of EIFD-eligible improvements is \$351 million. The proposed infrastructure financing plan projects \$477.3 million in incremental property tax revenue will be allocated to eligible costs over the life of the EIFD. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT

California Government Code Section 53398.50 et seq. authorizes the Board of Supervisors to establish an enhanced infrastructure financing district (EIFD) and approve an infrastructure financing plan that allocates tax revenues to the EIFD.

BACKGROUND

3333 California Street Development Project

The 3333 California Street Development Project (the Project) will redevelop a parcel comprised of approximately 10.25 acres located in the Laurel Heights neighborhood. At completion, the project will generate up to 744 residential units, including 125 units of affordable housing for seniors, a 175-seat childcare facility, and approximately 38,094 square feet of retail/restaurant/commercial use, four below-grade parking garages with ten car share spaces and no more than 820 parking spaces, and approximately 233,676 square feet of open space.

In 2020, the Board of Supervisors approved the original development agreement (File 19-0845) with the Laurel Height Partners, LLC, a Prado Group affiliate. In June 2024, the original agreement was amended (Amendment No.1), which did not require Board of Supervisor approval because the changes were minor modifications.¹ In November 2024, the Board of Supervisors approved the Amendment No. 2 to the development agreement (File 24-0797). Those modifications included extending the term of the Development Agreement by eight years, extending the deadline to complete affordable housing units by four years, and reducing the required number of affordable units from 185 to 125.²

3700 California Street Development Project

The Prado Group is also developing the nearby 3700 California project, which is not under a development agreement. At completion, the project will generate up to 19 new residential buildings with up to 530 residential units. This includes one senior building consisting of up to

¹ The modifications include: (a) a two-month extension of the term to expire in November 2035 and the construction commencement deadline to November 2025, (b) modification of the construction plans for expanded green space at Euclid Green and the Pine Street Stairs, removal of certain planned Street Trees, removal of one planned Laurel Duplex Townhome in order to expand Euclid Green, and (c) complimentary revision of terms regarding public access of private improvements. There were no changes to the overall housing, public benefits, or commercial square footage.

² Other modifications included: (i) extending the timing for escrow deposits to fund the development of the affordable units, and authorizing the Director of the Mayor’s Office of Housing and Community Development to make certain changes to the affordable unit requirements, (ii) allowing the project to qualify for the Temporary Fee Reduction Program under Planning Code Section 403, and (iii) including a new financing plan relating to the formation of an Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street) and Community Facilities District.

157 residential senior units, 15 single-family homes, and three multi-family residential buildings. The project also offers 75 assisted living and memory care units.

EIFD No. 3

In November 2024, the Board of Supervisors approved a resolution of intention to establish San Francisco Enhanced Infrastructure Financing District No.3 to finance public infrastructure and affordable housing for 3333/3700 California Street projects (File 24-0816).

The Project will be delivered in six project areas, including 3 project areas within 3333 California and 3 project areas within the 3700 California project. Each project area within the EIFD can have a different start date and extend for 45 years from the start date. Each project area can generate property tax increment and debt can be issued against the property tax increment at different times. Tax increment generated within any project area may finance qualified costs within any other project area.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the Infrastructure Financing Plan for the Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street), including the division of taxes, an EIFD Acquisition and Financing Agreement, and related documents and actions to facilitate the delivery of public infrastructure for the Projects and advance housing production.

The goal of the EIFD is to provide tax increment financing for public infrastructure and other projects of communitywide significance (including affordable housing) to improve the financial feasibility of the 3333 California Street Project and the 3700 California Street Project, collectively the Projects.

Infrastructure Financing Plan

The proposed Infrastructure Financing Plan specifies how incremental property tax revenue generated by project areas within the EIFD will be used to finance eligible project costs, including public facilities (such as roads and utilities) and privately-owned facilities (such as affordable housing and parks). Each project area within the EIFD can have a different start date and extend for 45 years from the date the project area receives an allocation of at least \$100,000 in incremental tax revenue. There will be six project areas within the EIFD. The Plan anticipates that incremental property tax revenue would begin accruing to the project in FY 2026-27. The Board of Supervisors may terminate the provisions of the proposed infrastructure financing plan if there is no construction within ten years of the establishment of the Enhanced Infrastructure Financing District No. 3 and no bonds have been issued.

The City’s share of the 1.0 percent property tax rate is 0.646.³ According to the Infrastructure Financing Plan, 58.3 percent⁴ of the City’s share of tax increment, or 0.376 of the total tax increment, is allocated to the EIFD to finance EIFD improvements, and the remaining 41.7 percent of the City’s share of tax increment, or 0.270 percent of the total tax increment, is allocated as “conditional increment” to provide additional debt service coverage and to pay debt service on the bonds and replenish debt service reserve funds for such bonds if allocated tax increment is not available. The EIFD must repay any conditional tax revenue used for debt service from allocated tax increment in future years, with interest. Conditional increment will accrue to the City’s General Fund if not required for debt service.

Anticipated Development

Exhibit 1 below shows the anticipated development for the Project provided in the Draft Infrastructure Financing Plan (IFP), including facilities funded by the EIFD and facilities that will be privately funded. The construction is expected to take place over approximately 5 years, from 2026 through 2031. These projections are estimates provided by developers and actual development will likely vary. Nothing in the IFP limits the ability of the developers to revise the scope and timing within the projects.

Exhibit 1: Anticipated Development in EIFD

Use	Area/Units	Construction Period
3333 California Street		
Market Rate Residential Units	619 units	2026-2031
Affordable Senior Housing units	125 units	2027-2030
Retail space	38,094 sq. ft.	2027-2030
Childcare center	13,933 sq. ft.	2027-2030
3700 California Street		
Market Rate Residential Units	298 units	2026-2029
Market Rate Senior Housing and/or Institutional Units	232 units	2026-2028

Source: Draft Infrastructure Financing Plan

Maximum Tax Increment Allocated to EIFD

The Infrastructure Financing Plan projects allocated tax revenue to be approximately \$477.3 million across all project areas and conditional tax revenue to be approximately \$342.1 million

³ The approximate 0.354 remaining share of tax increment would accrue to other taxing entities, such as the State Education Revenue Augmentation Fund and the San Francisco Unified School District.

⁴ Under the City IFD Guidelines, the maximum incremental property tax revenue that may be allocated to an EIFD is 50% of the total incremental property tax revenue (including 50% of the property tax in lieu of vehicle license fee (VLF) revenues), and the City may allocate all or a portion of the remaining 50% of the annual incremental property tax revenue (including the remaining 50% of the property tax in lieu of VLF revenues) on a conditional basis. For this EIFD, the City is not allocating any property tax in lieu of VLF revenues to the EIFD and will instead allocate 58.3% of the City’s share of tax increment which is equal to 50% of the City’s share of increment plus an additional 8.3% which is estimated to equal 50% of property tax in lieu of VLF revenues. All property tax in lieu of VLF revenues will accrue to the City’s General Fund.

over the 45-year term of each Project Area. The plan provides for a limit on total dollars allocated to the EIFD equal to 100 percent above projected costs for allocated and conditional tax increment. The allocated tax revenue may not exceed \$955 million, and the conditional tax revenue may not exceed \$684 million.

Acquisition and Financing Agreement

The EIFD would fund “acquisition facilities” (i.e., public facilities that would be acquired by the City or other governmental entity) and privately-owned facilities that have “community-wide significance,” including affordable housing and parks. The EIFD will reimburse the developer for actual costs to construct the acquisition facilities (utilities and streets) and the privately-owned facilities (affordable housing and parks). The proposed Acquisition and Financing Agreement provides the terms for the City to acquire the EIFD-funded acquisition facilities and the terms for reimbursement to the Developer for construction of privately-owned facilities.

EIFD Eligible Costs

Exhibit A of the Draft EIFD Acquisition and Financing Agreement describes the facilities eligible for financing by the EIFD. The EIFD can finance all or a portion of the costs to construct, improve, rehabilitate, purchase, or maintain the public capital facilities or privately-owned facilities of “community-wide significance” that are permitted under EIFD law and the Development Agreement. Issuance of EIFD bonds to fund eligible costs will be subject to approval by the EIFD’s legislative body (Enhanced Infrastructure Financing District No. 1) and the Board of Supervisors.

The EIFD could fund the following facilities:

- Infrastructure, parks and open space, public improvements, privately-owned community investments (including the childcare center), parking
- Affordable housing (including inclusionary units, units in 100% affordable projects, and the in-lieu fee)
- Transportation demand management measures defined in the Development Agreement
- Demolition, rehabilitation and/or abatement of existing structures
- Fees imposed by the City on the Projects before and after EIFD formation

The developer estimates that the total cost of the 3333 California Street Project is \$1 billion, the EIFD is expected to fund \$253 million (23.5 percent). The developer estimates that the total cost of the 3700 California Street Project is \$800 million, the EIFD is expected to fund \$98 million (12 percent).

Exhibit 2 below shows the estimated improvement costs of public facilities funded by the EIFD.

Exhibit 2: Estimated Improvement Costs of Facilities Funded by EIFD

Facilities	Estimated Improvement Costs (\$ millions)	Estimated Timing (Calendar Years)
3333 California Street Project		
Demolition, abatement, stabilization, rehabilitation	\$30,000,000	2026–2031
Parks/Open Space	\$12,000,000	2026–2031
Streets	\$20,000,000	2026–2031
Site Work	\$60,000,000	2026–2031
Utilities	\$26,000,000	2026–2031
Affordable Housing	\$105,000,000	2027–2030
Subtotal, 3333 California	\$253,000,000	
3700 California Street Project		
Demolition, abatement, stabilization, rehabilitation	\$36,000,000	2026–2029
Streets, Sidewalks, & Utilities	\$31,000,000	2026–2029
Affordable Housing (off-site)	\$31,000,000	2027–2030
Subtotal, 3700 California	\$98,000,000	
Total	\$351,000,000	

Source: Draft Infrastructure Financing Plan

The EIFD will fund these facilities provided there is tax increment available and within the overall funding limit and term of the district. EIFD funding may be pay-go or financed by bond secured by EIFD revenues.

Net Fiscal Benefit

According to an August 14, 2025 Fiscal Impact Analysis prepared by Economic & Planning Systems, Inc. for the draft infrastructure financing plan, the project will generate an annual net fiscal benefit of over \$1.7 million (in 2025 dollars) to the General Fund and MTA Fund, as shown in Exhibit 3 below.

Exhibit 3: Annual Fiscal Impact of EIFD (2025 \$)

Revenue or Expense	At Project Buildout
<u>General Fund</u>	
General Fund Revenues	\$9,473,000
Less General Fund Baseline Requirements	(<u>\$2,716,000</u>)
General Fund Revenues After Baseline Funding	\$6,757,000
Less General Fund Expenditures	(<u>\$5,367,000</u>)
Net Impact on General Fund	\$1,390,000
<u>MTA Fund</u>	
MTA General Fund Baseline Funding	\$907,000
Less MTA Expenses	(<u>\$602,000</u>)
Net Impact on the MTA Fund	\$305,000
Total Estimated Fiscal Benefit	\$1,695,000

Source: Economic & Planning Systems, Inc.

The report also states that the consultant conducted a sensitivity analysis, to assess the fiscal benefits when valuation assumptions are reduced. The analysis concluded that the General Fund benefit would remain positive if real estate values decline by approximately 23 percent.

FISCAL IMPACT

The proposed resolution would allocate 58.3 percent of incremental property tax revenues within the EIFD to eligible costs up to a maximum of \$955 million over the term of the district. The remaining 41.7 percent of the City’s share of tax increment would be allocated as “conditional increment” to provide additional debt service if needed up to a maximum of \$684 million. Any conditional increment used would be repaid to the General Fund with interest. The City would therefore retain 41.7 percent of the property tax increment revenue generated within the EIFD over the anticipated 48-year term of the EIFD.

The proposed infrastructure financing plan projects \$477.3 million in incremental property tax revenue will be allocated to eligible costs over the life of the EIFD.

RECOMMENDATION

Approve the proposed resolution.

EIFD ACQUISITION AND FINANCING AGREEMENT
(3333/3700 California Street)

by and among

CITY AND COUNTY OF SAN FRANCISCO,
a public body, corporate and politic, of the State of California,

LAUREL HEIGHTS PARTNERS, LLC,
a Delaware limited liability company,

CALIFORNIA 3700 LLC,
a Delaware limited liability company

and

SAN FRANCISCO
ENHANCED INFRASTRUCTURE FINANCING DISTRICT NO. 3
(3333/3700 California Street),
a legally constituted governmental entity

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- Exhibit A Description of EIFD Improvements to Be Financed for the Project
- Exhibit B Description of EIFD Improvements, with Cost Estimates
- Exhibit C Form of Payment Request – Acquisition Facilities and Components
- Exhibit C-1 Acquisition Facilities and Components to Which Payment Request Applies
- Exhibit C-2 Calculation of Actual Cost
- Exhibit D Form of Payment Request – Privately-Owned Facilities and Components
- Exhibit D-1 Privately-Owned Facilities and Components to Which Payment Request Applies
- Exhibit D-2 Calculation of Actual Cost
- Exhibit E Contracting Provisions for 3700 California Street Project
- Exhibit F Potential Change of Work Form

**EIFD ACQUISITION AND FINANCING AGREEMENT
(3333/3700 California Street)**

This EIFD ACQUISITION AND FINANCING AGREEMENT (3333/3700 California Street) (including any Supplement, this “**Agreement**”), dated for reference purposes only as of _____, 2026, is by and among City, EIFD, 3333 California Street Developer, and 3700 California Street Developer. As used in this Agreement, capitalized terms used herein have the meanings given to them in Article 9. Capitalized terms used but not otherwise defined in Article 9 have the meanings given to them in the Development Agreement.

RECITALS

A. Financing Plan. The City and the 3333 California Street Developer have entered into the Development Agreement to establish the contractual framework for mutual cooperation necessary to implement the 3333 California Street Project. Under the Development Agreement and the EIFD Law, the City agrees to acquire and reimburse the Actual Costs of Qualified EIFD Improvements; Qualified EIFD Improvements include both Acquisition Facilities and Privately-Owned Facilities that are of community-wide significance.

Under the Development Agreement and Chapter 43, Article X of the San Francisco Administrative Code, the City and the 3333 California Street Developer may, in the future, enter into a CFD Acquisition and Reimbursement Agreement under which the City agrees to acquire authorized improvements and reimburse Qualified Project Costs (as defined therein). If a CFD is formed over the 3333 California Street Project Site to finance capital facilities, many of the EIFD Improvements eligible to be funded by EIFD Funding Sources pursuant to this Agreement may also be eligible to be funded by CFD Funding Sources pursuant to the CFD Acquisition and Reimbursement Agreement. For those facilities that are eligible to be financed by both the EIFD and the CFD, the 3333 California Street Developer may utilize either or both of the CFD Funding Sources and the EIFD Funding Sources to finance such facilities, provided that the same costs are not financed by both sources (i.e., no double-dipping). In requisitioning for the reimbursement of Actual Costs of EIFD Improvements that may be financed by both the EIFD and the CFD, the 3333 California Street Developer may identify both EIFD Funding Sources and CFD Funding Sources as potential sources of funding (i.e., the 3333 California Street Developer does not have to specify the source of reimbursement until such time as EIFD Funding Sources and/or CFD Funding Sources are available to satisfy the applicable Payment Request).

The 3700 California Street Project is not subject to a development agreement and the 3700 California Street Developer is not eligible to be reimbursed with CFD Funding Sources. The 3700 California Street Project is subject to the Conditions of Approval.

B. Purpose of this Agreement. In accordance with the EIFD Law and the IFP, this Agreement describes the procedures by which, at the request of the 3333 California Street Developer or the 3700 California Street Developer, (i) the City will acquire Acquisition Facilities and Components and verify the related Actual Costs and (ii) the City will verify the Actual Costs of Privately-Owned Facilities and Components to be reimbursed to the applicable Developer, and (iii) the EIFD will pay the Actual Costs of Acquisition Facilities and Components and reimburse the Actual Costs of Privately-Owned Facilities and Components with the EIFD Funding Sources.

The City has allocated Allocated Tax Revenue and Conditional Tax Revenue to the EIFD for the purposes and for the period of time specified in the IFP. Under the EIFD Law, the sole purpose of the EIFD is to finance the public facilities and other projects specified in the IFP.

C. Developer. As used in this Agreement, unless otherwise stated, the term “Developer” may mean either the 3333 California Street Developer or the 3700 California Street Developer. As a general matter, each Developer shall be treated independently of the other Developer, and there shall be no joint liability and no cross-defaulting between the 3333 California Street Developer and the 3700 California Street Developer. A default by one Developer shall not be deemed a default by the other Developer.

D. Acknowledgements. The City, the EIFD, the 3333 California Street Developer, and the 3700 California Street Developer acknowledge the following:

(1) Each Developer may construct EIFD Improvements before the proceeds of EIFD Bonds and Allocated Tax Revenue (together, “**EIFD Funding Sources**”) that will be used to acquire them or pay the Actual Costs of related Qualified EIFD Improvements, as applicable, are available.

(2) The City shall inspect such improvements and process Payment Requests even if EIFD Funding Sources for the amount of pending Payment Requests are not then sufficient to satisfy them in full.

(3) Acquisition Facilities to be acquired by the City or other Governmental Entity may be conveyed to and accepted by the City or other Governmental Entity before the applicable Payment Requests are paid in full. Likewise, Privately-Owned Facilities may be conveyed to the owner thereof before the applicable Payment Requests are paid in full.

(4) The unpaid balance of applicable Payment Requests shall be paid by the EIFD when sufficient EIFD Funding Sources become available, whether or not at such time the City, or other Governmental Entity, or other person has accepted the relevant improvements, and such payments may be made: (A) in any number of installments as EIFD Funding Sources become available; (B) irrespective of the length of time payment is deferred; and (C) except with respect to the final payment for any Acquisition Facility to be acquired by the City or any other Governmental Entity, prior to formal acceptance by the City or the Governmental Entity of the Acquisition Facility that is the subject of such Payment Requests.

(5) Developer’s conveyance or dedication of Acquisition Facilities to the City or other Governmental Entity before the availability of EIFD Funding Sources to acquire such Acquisition Facilities is not a dedication or gift or a waiver of Developer’s right to payment of such Acquisition Facilities under the Financing Plan or this Agreement. Likewise, Developer’s conveyance or dedication of Privately-Owned Facilities to the applicable person before the availability of EIFD Funding Sources to reimburse for such Privately-Owned Facilities is not a dedication or gift or a waiver of Developer’s right to payment of such Privately-Owned Facilities under the Financing Plan or this Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the 3333 California Street Developer, the 3700 California Street Developer, the EIFD, and the City hereby agree as follows:

ARTICLE 1 FUNDING

1.1 Use of EIFD Funding Sources. This Agreement: (a) implements (and is subject to all limitations of) the allocation by the City to the EIFD of the Allocated Tax Revenue and the Conditional Tax Revenue (as limited by the IFP) and the authorized use by the EIFD of the Allocated Tax Revenue and the Conditional Tax Revenue, each as set forth in the IFP; (b) will become effective on the full execution and delivery of this Agreement (the “**Effective Date**”); and (c) describes the procedures by which, at the applicable Developer’s request, the EIFD will use available EIFD Funding Sources to make payments to such Developer for the Actual Costs of the EIFD Improvements.

1.2 Exhibit A and Supplements to Exhibit A. The Parties intend Exhibit A to be a complete list of all items eligible and intended to be financed by EIFD Funding Sources under this Agreement. Exhibit A sets forth: (a) reasonably detailed descriptions of all of the Acquisition Facilities; and (b) reasonably detailed descriptions of all of the Privately-Owned Facilities. At any time, a Developer may submit proposed Supplements to Exhibit A for review in accordance with Section 1.4 that describe in reasonable detail any proposed revisions or additions to the Acquisition Facilities and Privately-Owned Facilities.

1.3 Exhibit B and Supplements to Exhibit B. The Parties intend Exhibit B to be a refinement of Exhibit A as the Parties obtain more information about the Acquisition Facilities and Privately-Owned Facilities for which construction contracts have been executed, and the estimated Actual Costs that are to be reimbursed under this Agreement. Exhibit B shall initially include all Qualified EIFD Improvements that are the subject of construction contracts executed as of the Effective Date of this Agreement and their estimated Actual Costs. For purposes of clarity, at the Effective Date, Exhibit B may say “TBD” if there are no such executed construction contracts executed as of the Effective Date. Exhibit B shall include costs specific to Acquisition Facilities and Privately-Owned Facilities based on an executed contract or permit (e.g., street improvement permit, demolition permit, building permit et al.) and all other estimated Actual Costs of the Acquisition Facilities and Privately-Owned Facilities that may or may not be subject to a construction contract, with an explanatory note as to which estimated Actual Costs are not subject to a construction contract and how the related work will be performed. The City and County of San Francisco Department of Public Works (the “**Department of Public Works**”) will be the lead City agency to facilitate coordinated review of certain aspects of the Project in accordance with the MOU and will assist the City as provided under this Agreement. With respect to Qualified EIFD Improvements other than the Walnut Affordable Housing Building, the Department of Public Works will be the lead City agency responsible for review and verification of the Actual Costs of Acquisition Facilities (or Components thereof) or Privately-Owned Facilities (or Components thereof) listed in Exhibit B in accordance with the MOU, and MOHCD will be responsible for the review and verification of the Actual Costs of the Walnut Affordable Housing

Building and verification of payment of the 3700 California Street Affordable Housing In-Lieu Fees. Upon completion of its review, MOHCD will submit to the Department of Public Works a written summary of its review and evaluation signed by the MOHCD Director (or the Director's designee); no further review shall be required by MOHCD in connection with the submission by the 3333 California Street Developer of a Payment Request related to the Walnut Affordable Housing Building as long as the Payment Request is consistent with the Third Party cost certification or audit provided pursuant to Section 5.3(c)(iv) hereof. The Parties understand and agree that any costs identified on Exhibit B are estimates only and shall not limit the payment of the Actual Costs in any way (i.e., such amounts are not budgets, but only estimates).

At any time, Developer may submit proposed Supplements to Exhibit B for review in accordance with Section 1.4 that: (a) describe and provide detail on all or any portion of the Acquisition Facilities set forth on Exhibit A for which construction contracts have been executed, including the identification and detail of any Components of the Acquisition Facilities; (b) provide estimates of the Actual Costs of all or any portion of the Acquisition Facilities set forth on Exhibit A for which construction contracts have been executed, including of any Components thereof; (c) describe and provide detail on all or any portion of the Privately-Owned Facilities set forth on Exhibit A for which construction contracts have been executed, including the identification and detail of any Components of the Privately-Owned Facilities (other than costs associated with the Walnut Affordable Housing Building); (d) provide estimates of the Actual Costs of all or any portion of the Privately-Owned Facilities for which construction contracts have been executed, including of any Components thereof (other than costs associated with the Walnut Affordable Housing Building); and (e) otherwise update or modify any other information in Exhibit B. The Parties agree that the EIFD will not be obligated to pay Developer for the Actual Costs of an Acquisition Facility (or Component thereof) or a Privately-Owned Facility (or Component thereof) under this Agreement unless such Acquisition Facility (or Component thereof) or Privately-Owned Facility (or Component thereof) is set forth on Exhibit B.

1.4 Review and Approval of Supplements. The Department of Public Works will review and verify the Actual Costs of Acquisition Facilities (or Components thereof) or Privately-Owned Facilities (or Components thereof) other than the Walnut Affordable Housing Building contained in any Supplements submitted under this Agreement, and MOHCD will review and verify the Actual Costs of the Walnut Affordable Housing Building contained in any Supplements submitted under this Agreement, in each case subject to the following:

(a) Upon Developer's written request, the Department of Public Works or MOHCD, as applicable, will meet with representatives of Developer to establish acceptable contents of any Supplements to Exhibit A or Exhibit B. Subject to subsection (b) below, the Department of Public Works or MOHCD, as applicable, will make reasonable efforts to accept or object in writing to all or any portion of the proposed Supplement within thirty (30) calendar days after receipt of a proposed Supplement submitted with such Developer's written request for review and approval. Such Developer may resubmit any proposed Supplement to which the Department of Public Works or MOHCD, as applicable, has timely objected, and the Department of Public Works or MOHCD, as applicable, will have thirty (30) calendar days to review any resubmitted proposed Supplement. The term "**Supplement Review Period**" as used in this Agreement will mean the applicable period specified above in this Section 1.4(a).

(b) The Department of Public Works or MOHCD, as applicable, will only be required to review a proposed Supplement after it is complete and contains all of the information set forth in Section 1.2, Section 1.3 or Section 1.4, as applicable, and any supporting materials reasonably requested in writing by the Department of Public Works or MOHCD, as applicable, in connection with the proposed Supplement. Proposed Supplements for the Walnut Affordable Housing Building shall, in addition to the information set forth in Section 1.3, include as supporting materials (i) an estimate of proposed sources and uses, (ii) copies of any applications submitted for local, State or Federal grant or loan financing, (iii) a copy of (A) the Notice of Special Restrictions (Affordable Housing) and (B) if the Notice of Special Restrictions (Affordable Housing) does not evidence compliance with the EIFD Law, a covenant or restriction recorded in the real property records evidencing compliance with the EIFD Law, and (iv) the most detailed currently available set of building Plans. Proposed Supplements for the Walnut Affordable Housing Building shall also include as supporting material an estimate of projected operating cash flow at stabilization. The Supplement Review Period will be tolled as to a Supplement for which the Department of Public Works or MOHCD, as applicable, has reasonably requested additional information or materials, until such requested information or materials have been provided to the Department of Public Works or MOHCD, as applicable. Within the Supplement Review Period, as it may be tolled under this Section 1.4(b), the Department of Public Works or MOHCD, as applicable, will send a notice of approval or disapproval to the applicable Developer. Any notice of disapproval must state with specificity the Department of Public Works' or MOHCD's, as applicable, grounds for disapproval, which must be made in good faith and will be limited to the following:

(i) For disapproval of a proposed Supplement to Exhibit A: (A) for the 3333 California Street Project only, a proposed Acquisition Facility or Privately-Owned Facility is not contemplated to be financed by the Development Agreement (including the Financing Plan); or (B) for both the 3333 California Street Project and the 3700 California Street Project, a proposed Acquisition Facility or Privately-Owned Facility is not eligible to be financed under the IFP, the Governing Acts, or this Agreement.

(ii) For disapproval of a proposed Supplement to Exhibit B: (A) the specified Acquisition Facilities or Privately-Owned Facilities are not listed on, or derived from, Exhibit A; (B) the specified Walnut Affordable Housing Building does not comply with the Housing Plan or Section 5.5 of this Agreement; (C) the Actual Costs (less Third Party Reimbursements) of the specified Walnut Affordable Housing Building exceed the amounts set forth in the project completion audit or cost certification required by Section 4.2(d); or (D) specified Components are not components of the Acquisition Facilities or Privately-Owned Facilities listed on Exhibit A.

(c) Any proposed Supplement approved in accordance with this Section 1.4 will be made a part of Exhibit A or Exhibit B, as applicable, without further approval of the City.

(d) In addition to the requirements set forth in this Section 1.4, the Department of Public Works and each Developer agree to form a review panel (“**Review Panel**”) consisting of up to three members from the City (including its project managers from the Department of Public Works and the Office of Economic and Workforce Development), and up to

three members from either Developer (including its construction manager(s)). Each of the Developer and the Public Works Director may invite representatives of MOHCD to participate in weekly working meetings. The purpose of the Review Panel is to conduct (up to) weekly working meetings to review, before they are submitted to the Department of Public Works or MOHCD, as applicable, proposed Exhibit B Supplements and any proposed change orders. The Review Panel will use good faith efforts to resolve issues with proposed Exhibit B Supplements and change orders before they are submitted to the Department of Public Works or MOHCD, as applicable, and conduct well-organized review meetings. In addition, if requested to do so by either Developer, the Review Panel shall discuss any failures of the City described in Section 8.2 and use good faith efforts to resolve any existing failures and avoid future failures.

1.5 EIFD Funding Sources.

(a) The EIFD will not be obligated to pay all or any part of the Actual Cost of an Acquisition Facility (or Component thereof) or a Privately-Owned Facility (or Component thereof) under this Agreement except from EIFD Funding Sources or any other sources that are mutually agreed to by the City, the EIFD, and Developer. Except for the Allocated Tax Revenue and the Conditional Tax Revenue (to the limited extent described in the IFP) that the City has allocated to the EIFD pursuant to the EIFD Law, unless otherwise agreed to in writing by the Parties, in no circumstances shall the City's General Fund, credit, taxing power or revenues other than the EIFD Funding Sources be pledged or be available to pay all or any part of the Actual Cost of an Acquisition Facility (or Component thereof) or a Privately-Owned Facility (or Component thereof), nor shall the EIFD have any liability to pay all or any part of the Actual Cost of an Acquisition Facility (or Component thereof) or a Privately-Owned Facility (or Component thereof) if the Acquisition Facility (or Component thereof) or a Privately-Owned Facility (or Component thereof) is determined by the City to be ineligible to be financed under the Governing Acts, even if the City or the Department of Public Works or MOHCD, as applicable, did not object to the Payment Request or Supplement listing it on the grounds of ineligibility.

(b) Developer acknowledges that if the City, the EIFD, and the 3333 California Street Developer agree to issue escrow bonds as part of an issuance of EIFD Bonds and funds are deposited in an escrow fund, escrowed amounts will become EIFD Funding Sources: (i) only after satisfaction of all escrow requirements and release from the escrow fund; and (ii) in the amounts specified in the applicable Indenture. The EIFD agrees to take all reasonable actions necessary to cause the satisfaction of all the conditions to the release of funds from an escrow fund.

(c) Neither the City nor the EIFD make any warranty, express or implied, that EIFD Funding Sources will be sufficient to pay for all of the EIFD Improvements. Other than as contemplated by the EIFD Funding Sources or as otherwise agreed to in writing by the Parties, in no circumstances shall the City's credit, taxing power or General Fund or any revenues other than the EIFD Funding Sources be pledged to or be available to pay all or any part of the Actual Cost of the EIFD Improvements.

1.6 Issuance of EIFD Bonds.

(a) EIFD Bonds will not be issued by the EIFD except upon the written request of the 3333 California Street Developer made to the EIFD and the City. The proceeds of

each series of EIFD Bonds shall be deposited, held, invested, reinvested, and disbursed as provided in the Indenture, subject to compliance with the IFP and this Agreement. Other than payment of EIFD administrative costs, the net proceeds of the EIFD Bonds (after paying costs of issuance and capitalized interest and establishing debt service reserve funds) shall be used to finance the Actual Cost of EIFD Improvements.

(b) The City shall allocate the Conditional Tax Revenue to the EIFD to provide debt service coverage for the EIFD Bonds, and the Conditional Tax Revenue will only be available for the limited purpose of paying debt service on the EIFD Bonds and replenishing any reserve funds for the EIFD Bonds in the event that Allocated Tax Revenue is insufficient for that purpose. After first paying or setting aside amounts needed for debt service due during such Fiscal Year on the EIFD Bonds secured by or payable from Allocated Tax Revenue and replenishing any reserve funds for the EIFD Bonds, the EIFD shall repay the City out of the Allocated Tax Revenue for any Conditional Tax Revenue actually used to pay debt service on EIFD Bonds as set forth in the IFP, plus interest as provided in Section 7.6(e)(iii) herein. After the Conditional Tax Revenue so used is repaid in full, then any Allocated Tax Revenue remaining shall be reserved for and/or applied to finance the Qualified EIFD Improvements.

(c) Prior to requesting the issuance of EIFD Bonds, the 3333 California Street Developer will consult with the City's Controller (or the Controller's designee). The Controller will recommend that the Board of Supervisors approve an issue of EIFD Bonds if the Controller has determined that (1) the issue will be consistent with sound municipal financing practices, (2) the issue will be consistent with the EIFD Law, the IFP and the Financing Plan, and (3) the City is assured, to its reasonable satisfaction, based on actual and projected reasonably foreseeable economic conditions that could have an impact on the assessed value of the property in the EIFD, that the EIFD Bonds are structured in a manner that (A) mitigates any potential material risk that the EIFD could default in the payment of debt service on the EIFD Bonds and (B) provides reasonable assurance to the City that the Conditional Tax Revenue would likely be available to the City's General Fund and unlikely to be needed to pay debt service on the EIFD Bonds or replenish debt service reserve funds for the EIFD Bonds.

(d) The Board of Supervisors will consider all requests to approve the issuance of EIFD Bonds in accordance with its customary practices based on the record before it, which shall include the Controller's recommendation and a description of the requirements of the Financing Plan. Any issue of EIFD Bonds will be structured with a debt service coverage ratio and term that maximizes the proceeds of the EIFD Bonds provided (i) such EIFD Bonds are issued consistent with sound municipal financing practices and Section 3.4(g) of the Financing Plan after consultation with the Controller's Office of Public Finance, and (ii) the City is assured, to its reasonable satisfaction, based on actual and projected reasonably foreseeable economic conditions that could have an impact on the assessed value of the property in the EIFD, that the EIFD Bonds are structured in a manner that (A) mitigates any potential material risk that the EIFD could default in the payment of debt service on the EIFD Bonds and (B) provides reasonable assurance to the City that that the Conditional Tax Revenue would likely be available to the City's General Fund and unlikely to be needed to pay debt service on the EIFD Bonds or replenish debt service reserve funds for the EIFD Bonds. The City may implement other bond structure elements that it determines are consistent with sound municipal financing practices and Section 3.4(g) of the Financing Plan, including requiring one or more debt service reserve funds.

(e) In addition to federally tax-exempt EIFD Bonds, at the request of the 3333 California Street Developer, the EIFD shall consider the issuance of one or more series of federally taxable EIFD Bonds to finance the Actual Cost of any EIFD Improvements that cannot be financed on a federally tax-exempt basis. In addition, the EIFD shall issue federally taxable EIFD Bonds in the circumstances required by Section 3.6(e) of the Financing Plan.

(f) Upon any such request by the 3333 California Street Developer to issue EIFD Bonds, the EIFD shall utilize and consult with the City's Office of Public Finance as to the timing, parameters, and terms of any EIFD Bonds consistent with this Agreement. The City has informed the EIFD, the 3333 California Street Developer, and the 3700 California Street Developer that the Office of Public Finance (or a successor agency identified by the City) will provide those services to the EIFD for the term of the EIFD.

1.7 Deposits of EIFD Funding Sources.

(a) The proceeds of any EIFD Bonds will be deposited, held, invested, reinvested, and disbursed as provided in the respective Indenture, all in a manner consistent with the Financing Plan and this Agreement. The portion of the proceeds of any EIFD Bonds that is used to fund reserves for debt service, to capitalize interest on the EIFD Bonds, and to pay costs of issuance and administration will not constitute EIFD Funding Sources.

(b) Pursuant to the Financing Plan and the IFP, the Allocated Tax Revenue generated from the property in the EIFD may be deposited and held in, and invested, reinvested, and disbursed to finance EIFD Improvements.

(c) Developer agrees that the EIFD alone will direct the investment of EIFD Funding Sources in accordance with the EIFD's investment policy and all applicable laws and the applicable Indenture. The EIFD will have no responsibility to either Developer with respect to any investment of EIFD Funding Sources before their use under this Agreement, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment so long as the investments were made in accordance with the EIFD's investment policy and all applicable laws and the applicable Indenture, even if a loss diminishes the amount of available EIFD Funding Sources.

1.8 Payment of Certain Costs. The City, the EIFD, and each Developer agree that certain professional and consulting costs that Developer, the City and the EIFD incur in connection with the formation of the EIFD and the issuance of EIFD Bonds will be financed with proceeds of the EIFD Bonds or Allocated Tax Revenue to the extent permitted by the EIFD Law.

1.9 Financing Temporarily Excused. The City and the EIFD shall be authorized to temporarily suspend the issuance of any EIFD Bonds in the circumstances described in Section 1.4 of the Financing Plan. For the avoidance of doubt in light of Section 2.2(c) herein, the City, the EIFD, and each Developer agree that subsections (b) (clauses (i)-(iii)) and (c) (clauses (i) and (ii)) of Section 1.4 of the Financing Plan may only be invoked if the EIFD Developer (as defined in Section 2.2(c) herein) has satisfied those subsections. Subsections (b) (clauses (i)-(iii)), and (c)

(clauses (i) and (ii)) of Section 1.4 of the Financing Plan may not be invoked against an EIFD Developer as a result of the actions of any other party, including but not limited to any other Developer under the Development Agreement or any other EIFD Developer that has taken an assignment pursuant to an EIFD Assignment in accordance with Section 8.5 of this Agreement. Nothing in the two preceding sentences shall be construed to limit the exercise by the City or the EIFD of its judgment under Section 1.4(b)(iv) or Section 1.4(c)(iii) of the Financing Plan.

1.10 Information Related to Assessment Appeals. Prior to the issuance of any EIFD Bonds, (a) each Developer shall represent in writing to the City, the EIFD, and the underwriter of such EIFD Bonds, in a form reasonably acceptable to the City, the EIFD, and the underwriter, that such Developer and each of its respective affiliated entities that own land in the EIFD do not have plans to file any appeals (that are not otherwise described in the disclosure document for the EIFD Bonds) of the assessed value of their respective taxable property determined by the Assessor for the then-current fiscal year or any previous fiscal year, (b) each Developer shall cause any other developer landowner in the EIFD that is not an affiliated entity of such Developer to represent in writing to the City, the EIFD, and the underwriter, in a form reasonably acceptable to the City, the EIFD, and the underwriter, that such other developer landowner that owns land in the EIFD does not have plans to file any appeals (that are not otherwise described in the disclosure document for the EIFD Bonds) of the assessed value of their respective taxable property determined by the Assessor for the then-current fiscal year or any previous fiscal year, and (c) each Developer shall otherwise reasonably cooperate with the City, the EIFD, and the underwriter to make such inquiries as are reasonably necessary to ensure that the information contained in the disclosure document for the EIFD Bonds regarding assessment appeals is accurate and not materially misleading, including using commercially reasonable efforts to contact other entities that own material amounts of property in the EIFD to inquire about their plans to appeal assessed values of their taxable property determined by the Assessor for the then-current fiscal year or any previous fiscal year.

ARTICLE 2 CONSTRUCTION OF ACQUISITION FACILITIES AND PRIVATELY-OWNED FACILITIES

2.1 Plan Documents. Developer will prepare and obtain approval by each applicable Governmental Entity of all Plans for the Acquisition Facilities and Privately-Owned Facilities from the City and, for the 3333 California Street Project only, in accordance with, and at the times necessary to comply with the provisions of the Development Agreement, and, for the 3700 California Street Project only, in accordance with, and at the times necessary to comply with the provisions of the Conditions of Approval.

2.2 Obligation to Construct Acquisition Facilities and Privately-Owned Facilities.

(a) This Agreement does not create an obligation to construct any Acquisition Facility or Privately-Owned Facility. This Article 2 applies only to those Acquisition Facilities or Privately-Owned Facilities for which a Developer seeks the payment of the Actual Costs under this Agreement. For the 3333 California Street

Project only, the 3333 California Street Developer's obligation to construct the Acquisition Facilities and the Privately-Owned Facilities is governed by the Development Agreement. The City, the EIFD, and the Developer acknowledge that the EIFD is expected to have a term that will extend beyond the term of the Development Agreement and agree that this Agreement shall survive any termination of the Development Agreement except as provided in subsection (b) below.

(b) If the Development Agreement has terminated as to the property owned by the Developer that is a party to this Agreement (herein, for purposes of this Section 2.2, the “**EIFD Developer**”) for any reason other than a Default (as defined in the Development Agreement) by the EIFD Developer, and subject to Section 1.4 of the Financing Plan, then the EIFD Developer will still be eligible to finance EIFD Improvements (including any subject to a Vested Payment Request) with EIFD Funding Sources to the extent the Developer Commenced Construction of such EIFD Improvements prior to termination of the Development Agreement with respect to the property owned by the EIFD Developer or the EIFD Improvement is required as part of a Public Improvement Agreement approved prior to the termination of the Development Agreement with respect to the property owned by the EIFD Developer. If the Development Agreement has terminated because of a Default (as defined in the Development Agreement) by the EIFD Developer, then the EIFD Developer will no longer be eligible to finance EIFD Improvements with EIFD Funding Sources other than with respect to any EIFD Improvements subject to a Vested Payment Request, which shall remain eligible to be financed with EIFD Funding Sources notwithstanding termination of the Development Agreement due to a Default by the EIFD Developer.

(c) In accordance with Section 9.3 of the Development Agreement, there shall be no cross-defaults between separate Parties under the Development Agreement, and a Default (as defined in the Development Agreement) by one Developer or Transferee under the Development Agreement shall not be a Default by any other Developer under the Development Agreement that owns or controls a different portion of the Project Site. Accordingly, and notwithstanding any other provision in this Agreement to the contrary, if the Development Agreement is terminated due to a Default by a Developer or Transferee that is not the EIFD Developer, such Default and resulting termination shall not in any way limit or impair the eligibility of the EIFD Developer to finance EIFD Improvements with EIFD Funding Sources. If there are multiple EIFD Developers under this Agreement following a transfer pursuant to an EIFD Assignment in accordance with Section 8.5 of this Agreement, a Default and resulting termination of the Development Agreement with respect to one EIFD Developer shall in no way limit or impair the eligibility of any non-defaulting EIFD Developer to finance EIFD Improvements with EIFD Funding Sources. Nothing in this Section 2.2(c) shall be construed to limit the exercise by the City or the EIFD of its judgment under Section 1.4(b)(iv) or Section 1.4(c)(iii) of the Financing Plan.

(d) For the 3700 California Street Project only, the 3700 California Street Developer's obligation to construct the Acquisition Facilities and

the Privately-Owned Facilities is governed by the Conditions of Approval. With respect to the 3700 California Street Project, if the Conditions of Approval have terminated for any reason other than a default by the 3700 California Street Developer, and subject to Section 1.4 of the Financing Plan, the 3700 California Street Developer will still be eligible to finance EIFD Improvements (including any subject to a Vested Payment Request) with EIFD Funding Sources to the extent the 3700 California Street Developer Commenced Construction of such EIFD Improvements prior to termination of the Conditions of Approval or the EIFD Improvement is required as part of a Public Improvement Agreement approved prior to the termination of the Conditions of Approval. If the Conditions of Approval have terminated because of a default by the 3700 California Street Developer, then the 3700 California Street Developer will no longer be eligible to finance EIFD Improvements other than with respect to any EIFD Improvements subject to a Vested Payment Request, which shall remain eligible to be financed with EIFD Funding Sources notwithstanding the termination of the Conditions of Approval.

2.3 Relationship to Public Works Contracting Requirements.

(a) This Agreement provides for the acquisition of the Acquisition Facilities (or Component thereof) and reimbursement of the Actual Costs of Privately-Owned Facilities (or Component thereof) from time to time from EIFD Funding Sources and is not intended as a public works contract. The Parties acknowledge and agree that the Acquisition Facilities and Privately-Owned Facilities are of local, and not state-wide, concern, and that the provisions of the California Public Contract Code do not apply to the construction of the Acquisition Facilities or Privately-Owned Facilities. The City, the EIFD, and each Developer further acknowledge and agree that any public works contracting requirements of the City are not applicable to the construction and acquisition of the Acquisition Facilities or Privately-Owned Facilities. The 3333 California Street Developer and the 3700 California Street Developer acknowledge that EIFD Funding Sources can only pay for the Actual Costs of Acquisition Facilities or Privately-Owned Facilities where prevailing wages were paid for such EIFD Improvements. With respect to the 3333 California Street Developer only, nothing in this Section 2.3(a) shall limit or alter the requirements of the Development Agreement, including without limitation, the payment of prevailing wages as set forth in the Development Agreement. Notwithstanding the foregoing, each of the 3333 California Street Developer and the 3700 California Street Developer acknowledges that EIFD Funding Sources can only pay for the Actual Costs of Acquisition Facilities or Privately-Owned Facilities where prevailing wages were paid for such EIFD Improvements.

(b) Developer will utilize its business judgment to solicit proposals and award contracts in the manner it deems most suited to achieving the lowest Actual Costs from qualified and responsible contractors for each EIFD Improvement. Such methods may vary depending upon the nature of the work and the EIFD Improvement and may include the solicitation of competitive bids from qualified contractors for hard costs. For the 3333 California Street Project only, the 3333 California Street Developer agrees to award all contracts and execute all contract change orders for construction of the Acquisition Facilities and Privately-Owned Facilities in accordance with the Development Agreement requirements and, to the extent applicable, Exhibit E attached hereto. For the 3700 California Street Project, the 3700 California Street Developer

agrees to award all contracts and execute all contract change orders for construction of the Acquisition Facilities and Privately-Owned Facilities in accordance with the requirements set forth in Exhibit E attached hereto and the Conditions of Approval. The applicable Developer agrees to provide copies of all executed contracts and contract change orders for the Acquisition Facilities or Privately-Owned Facilities that are being financed under this Agreement to the Department of Public Works or MOHCD, as applicable, along with a written summary of the process by which such Developer solicited proposals and awarded contracts.

(c) Developer shall be responsible for entering into all change orders required for the construction of the EIFD Improvements. Developer shall make reasonable efforts to submit change order work documentation to the Review Panel created pursuant to Section 1.4(d) accompanied by a Potential Change of Work (“PCOW”) form to confirm funding eligibility and to obtain City acknowledgment prior to implementing changes. The City shall make reasonable efforts to review the PCOW for courtesy concurrence within five (5) business days, but such review and courtesy concurrence shall not constitute an approval for reimbursement. The form of PCOW is attached hereto as Exhibit F. The Parties acknowledge that Developer may under certain circumstances need to cause the contractor to commence implementing such changes in the field prior to the review of the PCOW by the Review Panel; in such event, the Developer may commence such work and thereafter shall submit the change work order documentation accompanied by a PCOW to the City immediately after the work has commenced for courtesy concurrence by the City within five (5) business days (which courtesy concurrence shall not constitute an approval for reimbursement). To the extent that a PCOW has been submitted and acknowledged by the Review Panel, the Developer shall submit a copy of such PCOW when requisitioning for the Actual Costs of the work that was the subject of the PCOW.

(d) From time to time at the request of the City, representatives of Developer must meet and confer with the City, Department of Public Works staff and MOHCD staff, as applicable, consultants, and contractors regarding matters arising under this Agreement with respect to the Acquisition Facilities or Privately-Owned Facilities, and the progress in constructing and acquiring the same, and as to any other matter related to the Acquisition Facilities or Privately-Owned Facilities, or this Agreement. The City, Department of Public Works staff and MOHCD staff, as applicable, will have the right: (i) to attend (and at the request of Developer will attend) meetings between Developer and its contractors relating to the Acquisition Facilities and Privately-Owned Facilities; and (ii) to meet and confer with individual contractors and Developer if deemed advisable by the City to resolve disputes or ensure the proper completion of the Acquisition Facilities and Privately-Owned Facilities.

Developer will not enter into contracts for Acquisition Facilities or Privately-Owned Facilities with suspended or debarred contractors. A current list of such contractors can be found on the City’s website: <https://sf.gov/resource/2022/suspended-and-debarred-contractors#>. In addition, Developer will, to the extent it is legally permitted to and may do so without penalty to the Developer, terminate contracts for Acquisition Facilities or Privately-Owned Facilities with contractors that were suspended or debarred after the contracts were executed. City will not approve financing for costs of Acquisition Facilities or Privately-Owned Facilities where the work was performed by a suspended or debarred contractor to the extent that the work was performed after the contractor was suspended or debarred and it was legally permitted for the Developer to terminate the contract without penalty to the Developer.

2.4 Independent Contractor.

(a) In performing under this Agreement, each Developer is an independent contractor and not the agent or employee of the City or the EIFD. Except as otherwise provided in this Agreement, the EIFD will not be responsible for making any payments to any contractor, subcontractor, agent, consultant, employee, or supplier of any Developer.

(b) The City has determined that it would obtain no advantage by directly undertaking the construction of the Acquisition Facilities or the Privately-Owned Facilities.

ARTICLE 3 ACQUISITION AND PAYMENT OF ACQUISITION FACILITIES AND COMPONENTS

3.1 Inspection.

(a) This Article 3 applies only to those Acquisition Facilities and Components for which a Developer seeks the payment of Actual Costs under this Agreement. This Article 3 does not apply to Privately-Owned Facilities or Components thereof. The City and the Developer agree that nothing in this Agreement is intended to supersede or replace the process of construction, inspection and acceptance of the Acquisition Facilities set forth in any applicable Public Improvement Agreement.

(b) Except as set forth in Section 3.3, the EIFD will not be obligated to pay the Actual Costs of Acquisition Facilities or Components under this Agreement to a Developer until the applicable Acquisition Facility or Component has been inspected and determined in writing by the Director of Public Works to be Ready for Payment. Subject to Section 3.3 herein, for purposes of clarification, for a Component that is dependent on the completion of other Components to actually be operational, the term "ready for its intended use" (as such term is used in the definition of "Ready for Payment") means only that the Component has been constructed in accordance with the applicable Plans and is capable of being operational when the other Components are completed.

(c) For Acquisition Facilities and Components to be acquired by the City, the Director of Public Works will make a reasonable effort to arrange for the inspection to commence within five (5) business days following receipt of Developer's written request to inspect Acquisition Facilities or Components that such Developer believes in good faith are Ready for Payment (the "**Inspection Request**"). Within the five (5) business days time period discussed above, the applicable City agencies will make a reasonable effort to schedule the requested inspection to occur within fourteen (14) calendar days but in any event not to exceed twenty-one (21) calendar days from the date of receipt of the Inspection Request. Within five (5) business days following the completion of the inspection, the Director of Public Works shall notify the applicable Developer and the EIFD of the results of the inspection by providing an Acquisition Facility Completion Confirmation or by providing a punch list of items to be corrected.

(d) The City and the Developer may mutually agree by letter agreement signed by their authorized representatives, and without executing an amendment of this Agreement, to modify the time for inspections set forth in this Section 3.1.

3.2 Agreement to Sell and Purchase Acquisition Facilities. To the extent that Acquisition Facilities and Components are not already owned by the City or a Governmental Entity, Developer agrees to convey Acquisition Facilities and Components to the City or other Governmental Entity(ies), and the EIFD agrees to use available EIFD Funding Sources to pay the Actual Cost of the Acquisition Facilities and Components to such Developer, subject to this Agreement and the Financing Plan. This Agreement does not require that the conveyance of Acquisition Facilities and Components to the City or other Governmental Entity include the sale of the fee ownership in private property that is subject to an easement for the benefit of the City or the general public.

3.3 Component Financing.

(a) This Agreement authorizes the purchase of a Component of an Acquisition Facility where such Acquisition Facility has an estimated cost of up to one million dollars (\$1,000,000), but only if the Component is capable of serviceable use as determined by the Department of Public Works. Subject to the availability of EIFD Funding Sources, the City agrees to pay to Developer the Actual Costs of such Components under this Section 3.3(a) before: (i) completion of the Acquisition Facility of which the Component is a part (unless it is the final Component of an Acquisition Facility); or (ii) the transfer to the City or other Governmental Entity of title to the Acquisition Facility and the property underlying the applicable Component or the grant of easement rights with respect to such property, as applicable. A reasonably detailed description and estimated Actual Cost of each Component to be financed under this Section 3.3(a) must be listed on Exhibit B (either originally or through an approved Supplement).

(b) If the estimated cost of an Acquisition Facility exceeds one million dollars (\$1,000,000), this Agreement authorizes the purchase of Components whether or not the Components are capable of serviceable use. Subject to the availability of EIFD Funding Sources, the EIFD agrees to pay to Developer the Actual Costs of such Components under this Section 3.3(b) before: (i) completion of the Acquisition Facility of which the Component is a part (unless it is the final Component of an Acquisition Facility); or (ii) the transfer to the City or other Governmental Entity of title to the Acquisition Facility and the property underlying the Component or the grant of easement rights with respect to such property, as applicable. A reasonably detailed description and estimated Actual Cost of each Component to be financed under this Section 3.3(b) must be listed on Exhibit B (either originally or through an approved Supplement). As used in this Agreement, the term Component means:

- (i) segments of Acquisition Facilities (e.g., a segment of a water line);
- or
- (ii) incremental completion of an Acquisition Facility (i.e., progress payments).

(c) Soft costs may be paid as part of the Actual Cost of any Component. In addition, soft costs for more than one Acquisition Facility may be submitted for approval as they occur in advance of construction of such Acquisition Facility provided that the soft costs apply to an Acquisition Facility or Component listed in Exhibit A or Exhibit B.

(d) Each Developer acknowledges that the City or other Governmental Entity, as applicable, will not be obligated to accept an Acquisition Facility of which a Component is a part until the entire Acquisition Facility has been constructed and determined to be Complete. The City and EIFD acknowledge that a Component does not have to be accepted by the City or other Governmental Entity as a condition precedent to the payment of the Actual Costs of the Component.

(e) The procedures for payment of the Actual Cost of a Component described in this Section 3.3 will be governed by Article 4.

3.4 Defective or Nonconforming Work. If the Director of Public Works finds any of the work done or materials furnished for an Acquisition Facility or Component to be defective in any material respect or not in conformance, in all material respects, with the applicable Plans and the Existing Standards and such finding is made: (a) prior to payment of the Actual Costs of such Acquisition Facility or Component, the EIFD may withhold the applicable payment until such defect or nonconformance is corrected to the satisfaction of the Director of Public Works; or (b) after payment of the Actual Costs of such Acquisition Facility or Component, then the City's policies and procedures will govern cure rights and obligations (including, for the 3333 California Street Project only, the Development Agreement and, for the 3700 California Street Project only, the Conditions of Approval).

3.5 Conveyance of Land, Title. The transfer of, maintenance of, and right of entry with respect to all land on, in, or over which any of the Acquisition Facilities will be located will be governed by the Existing Standards (and for the 3333 California Street Project only, the Development Agreement and, for the 3700 California Street Project only, the Conditions of Approval).

ARTICLE 4

PAYMENT REQUESTS FOR ACQUISITION FACILITIES AND COMPONENTS

4.1 Payment Requests. This Article 4 applies only to those Acquisition Facilities and Components for which Developer seeks the payment of Actual Costs under this Agreement. Except as set forth in Section 5.4 herein, this Article 4 does not apply to Privately-Owned Facilities (or Components thereof).

(a) To initiate the process for payment of the Actual Cost of an Acquisition Facility or Component, Developer must deliver to the Director of Public Works a Payment Request in the form of Exhibit C that contains all relevant information, including the Identified Funding Sources that are eligible to be used to pay it, together with all required supporting documents, attachments, and exhibits, all in an organized manner. Required attachments include:

and (i) a copy of the Acquisition Facility Completion Confirmation;

(ii) Proof of Payment evidencing that the Actual Costs were previously incurred and, if applicable, paid, for the Acquisition Facility or Component.

(b) In addition to those items listed in Section 4.1(a) above, any Payment Request for a Component must be supported by the following documentation:

(i) a completed copy of Exhibit C-1 specifying each contractor, subcontractor, materialman, and other person with whom Developer or its contractor has entered into contracts or contract change orders with respect to any Component included in the Payment Request and, for each of them: (A) the amount of each such contract; and (B) the amount of the requested Actual Cost attributable to each specific contractor, subcontractor, materialman, and other person; and

(ii) duly executed unconditional or conditional lien releases and waivers (in the applicable form provided in Calif. Civil Code § 3262) from all contractors, subcontractors, materialmen, consultants, and other persons retained by Developer in connection with the Component, under which each such person unconditionally or conditionally waives all lien and stop notice rights with respect to the pending payment.

(c) In addition to those items listed in Section 4.1(a) above, any Payment Request for a Completed Acquisition Facility or the final Component thereof will be complete only after Developer has submitted all of the following documents, to the extent applicable:

(i) if the real property on which the Acquisition Facility is located is not owned by the City or other Governmental Entity at the time of the request, a copy of the recorded document(s) conveying Acceptable Title to the real property to the City or other Governmental Entity, as applicable;

(ii) a copy of the Acquisition Facility Completion Confirmation or, if applicable, similar evidence that the Governmental Entity has found the Acquisition Facility to be Complete;

(iii) an executed assignment of any warranties and guaranties for the Acquisition Facility, in a form acceptable to the City or other Governmental Entity, as applicable, with respect to any Acquisition Facility for which the Developer does not have ongoing maintenance and repair responsibilities;

(iv) as-built drawings and an executed assignment of the Plans, to the extent reasonably obtainable;

(v) an executed bill of sale for any utility substructures (e.g. vaults, conduits, etc.) that are the subject of the Payment Request, if applicable; and

(vi) duly executed unconditional or conditional lien releases and waivers (in the applicable form provided in Calif. Civil Code § 3262) from all contractors, subcontractors, materialmen, consultants, and other persons retained by Developer in connection with the Acquisition Facility, under which each such person unconditionally or conditionally waives all lien and stop notice rights with respect to the pending payment.

(d) Developer will specify in writing the “**Developer Allocation**” that is included in the calculation of the Actual Cost in Exhibit C-2 to each Payment Request under this Article 4 (which shall be subject to review in accordance with Section 4.3(b)), showing how Developer has allocated the following costs paid or incurred by Developer (as applicable):

(i) costs that apply to more than one Acquisition Facility or Component (e.g., soft costs), as allocated between the Acquisition Facilities or Components, subject to Section 3.1;

(ii) costs that apply to both Acquisition Facilities or Components and other improvements (e.g., grading), as allocated between the Acquisition Facilities or Components and the other improvements; and

(iii) amounts paid to the City that apply to more than one Acquisition Facility or Component or both Acquisition Facilities or Components and other improvements (e.g., inspection fees, plan review fees, etc.), as allocated between the Acquisition Facilities or Components and, if applicable, the other improvements.

(e) Acceptance by the City or other Governmental Entity of an Acquisition Facility or Component is not a condition to the payment of the Actual Cost of such Acquisition Facility or Component. Payment of the Actual Cost of an Acquisition Facility or Component shall not constitute acceptance by the City or other Governmental Entity of such Acquisition Facility or Component.

4.2 .Processing Payment Requests for Acquisition Facilities and Components.

(a) Within twenty-one (21) calendar days after receipt of any Payment Request, the Director of Public Works will review the Payment Request to: (i) determine that it is complete; or (ii) determine that the Payment Request is incomplete and to request additional information and documentation reasonably necessary for the Director of Public Works to complete the review. Developer agrees to cooperate with the Director of Public Works in conducting each such review and to provide the Director of Public Works with such additional information and documentation as is reasonably necessary for the Director of Public Works to conclude each such review. In reviewing a Payment Request, the Director of Public Works will also review the Developer Allocations. If the Director of Public Works objects to the Developer Allocation, then the Director of Public Works and Developer will promptly meet and confer in an attempt to agree on how to allocate such costs on a reasonable basis (the “**Agreed-Upon Allocation**”).

(b) Within thirty (30) calendar days after the date a Payment Request is determined to be complete under Section 4.2(a), the Director of Public Works will review the Payment Request to confirm that all conditions in Article 3 and Section 4.1 have been satisfied, to the extent applicable, and provide notice to Developer either that: (i) the Payment Request is

approved (which will be confirmed by counter-signing the Payment Request); or (ii) the Payment Request is disapproved in whole or in part, specifying in the notice the portion of the Payment Request that is disapproved and the reason(s) for disapproval. If the Payment Request is disapproved in part, the Director of Public Works will return the Payment Request to Developer who may amend it to remove the portion that was disapproved and then resubmit it for approval. Upon receipt of the revised Payment Request omitting the disapproved portion, the Director of Public Works will forward the Payment Request to the EIFD for payment under Section 4.3. Developer may resubmit the portion of any Payment Request that was disapproved with additional supporting documentation, and the Director of Public Works will review it within the amount of time that is reasonable in light of the materiality of the reasons for the disapproval, not to exceed twenty-one (21) calendar days, although the Director of Public Works will make a reasonable effort to review it more quickly.

(c) The period within which the Director of Public Works must review a Payment Request under Section 4.2(a) or Section 4.2(b) will be tolled as to any Payment Request, until Developer has provided any additional information or documentation that the Director of Public Works has reasonably requested under Section 4.2(a) or Section 4.2(b).

(d) The City will hire one or more Third Party consultants to review Payment Requests for Acquisition Facilities and Privately-Owned Facilities other than the Walnut Affordable Housing Building. For Payment Requests related to the Walnut Affordable Housing Building, the 3333 California Street Developer will hire one or more qualified certified public accounting or other accounting firms that are licensed in the State of California to prepare project completion audits or cost certifications evidencing all Actual Costs incurred and Third Party Reimbursements received. The costs (which may include the City's bond counsel) associated with the 3333 California Street Developer's preparation and City's review of Payment Requests submitted pursuant to this Agreement shall be payable from EIFD Funding Sources. The costs of the Third-Party consultants, accountants, and other costs paid herein shall be part of the Actual Cost of the Acquisition Facilities and Privately-Owned Facilities.

(e) The process for review of the Payment Requests for Acquisition Facilities and Components thereof is subject to Article 6.

4.3 Payment.

(a) Within five (5) business days after (i) approving a Payment Request, and (ii) receipt of the Acquisition Facility Completion Confirmation, the Director of Public Works will forward the counter-signed approved Payment Request to the EIFD.

(b) The EIFD must pay the Actual Costs to the extent of available Identified Funding Sources within fifteen (15) business days after the EIFD's receipt of a counter-signed approved Payment Request. At the written request of Developer, the EIFD will make payments under any approved Payment Requests directly to a Third Party, such as a contractor or supplier of materials, subject to receiving sufficient backup information about such Third Party and only if the Third Party is in the City's payment vendor system.

4.4 Restrictions on Payments for Acquisition Facilities and Components. The following restrictions will apply to any payments made to Developer under Section 4.3:

(a) Subject to Section 4.4(d), the City will withhold delivery of the counter-signed Payment Request for the final payment for any Completed Acquisition Facility (but not for any Component that is not the final Component of an Acquisition Facility) constructed in, on, or over land, that is not owned by the City or other Governmental Entity until Acceptable Title to such land has been conveyed to the City or other Governmental Entity, if required under Section 4.1(c). Although Acceptable Title must be conveyed, if applicable, acceptance by the City or other Governmental Entity is not required as a condition of signing a Payment Request.

(b) Subject to Section 4.4(d), the City may withhold delivery of the counter-signed Payment Request for the final payment for any Completed Acquisition Facility (if it has no Components) or the final Component of any Completed Acquisition Facility until: (i) the Completed Acquisition Facility has been finally inspected as provided in Section 3.1; and (ii) general lien releases for the Acquisition Facility (conditioned solely upon payment from EIFD Funding Sources to be used to acquire such Acquisition Facility or final Component) have been submitted to the Director of Public Works.

(c) Nothing in this Agreement prohibits Developer from contesting in good faith the validity or amount of any mechanics' or materialman's lien or limits the remedies available to Developer with respect to such liens so long as any resulting delays do not subject the Acquisition Facilities or any Component to foreclosure, forfeiture, or sale. If Developer contests any such lien, Developer will only be required to post or cause the delivery of a bond in an amount equal to the amount in dispute with respect to any such contested lien, so long as such bond is drawn on an obligor and is otherwise in a form acceptable to the Director of Public Works. In addition, the City agrees that Developer will have the right to post or cause the appropriate contractor or subcontractor to post a bond with the City to indemnify the City for any losses sustained by the City because of any liens that may exist at the time of acceptance of such an Acquisition Facility, so long as such bond is drawn on an obligor and is otherwise in a form acceptable to the Director of Public Works.

(d) The City will be entitled to withhold from each payment of Actual Costs a portion for retention as authorized by City policies and procedures that constitute Existing Standards that does not exceed the amount withheld as a retention in the Developer's contract with its applicable contractor(s), but in any case not less than 5% (or such lower amount pursuant to State law) or in excess of ten percent (10%) of the amount of the Actual Cost of an Acquisition Facility or Component. The amount of any retained amounts withheld pursuant to the preceding sentence shall be released from retention and available to be paid to the Developer from EIFD Funding Sources following the issuance of a Notice of Completion for such Acquisition Facility or Component and the earlier to occur of (i) the satisfaction of any conditions in the Notice of Completion and (ii) the date upon which the Director of Public Works authorizes the release after concluding that any remaining conditions in the Notice of Completion are non-material. The City's authority to withhold a portion of the Actual Costs shall not apply to Privately-Owned Facilities, Fees and Exactions or the 3333 California Street Affordable Housing In-Lieu Fees.

ARTICLE 5
INSPECTION AND PAYMENT REQUESTS FOR PRIVATELY-OWNED FACILITIES
AND COMPONENTS

5.1 Inspection; Authorized Payments. This Article 5 applies only to Privately-Owned Facilities and Components thereof for which Developer seeks reimbursement under this Agreement. For Privately-Owned Facilities and Components, the Director of Public Works, or the Department of Building Inspection, as applicable, will make a reasonable effort to arrange for the inspection to commence within five (5) business days following receipt of Developer’s written request to inspect Privately-Owned Facilities or Components that Developer believes in good faith are Ready for Payment (the “**Private Inspection Request**”). Within the five (5) business days time period discussed above, the applicable agency will make a reasonable effort to schedule the inspection to occur within fourteen (14) calendar days but in any event not to exceed twenty-one (21) calendar days from the date of receipt of the Private Inspection Request. Within five (5) business days following the completion of the inspection, the Director of Public Works, or the Department of Building Inspection, as applicable, shall notify Developer and the EIFD of the results of the inspection by providing a Private Completion Confirmation or by providing a punch list of items to be corrected.

5.2 Component Financing.

(a) This Section 5.2 shall only apply to Privately-Owned Facilities that are not affordable housing. The EIFD and the City will finance the Actual Costs of the Walnut Affordable Housing Building at one time in accordance with Section 5.3 and will not finance it by Component financing. The EIFD and the City will finance the Gap Fees at one time in accordance with Section 6.4 at the same time that they finance the Actual Costs of the Walnut Affordable Housing Building.

(b) If the estimated cost of a Privately-Owned Facility exceeds one million dollars (\$1,000,000), this Agreement authorizes the payment of the Actual Cost of Components of that Privately-Owned Facility whether or not the Components are capable of serviceable use. Subject to the availability of EIFD Funding Sources, the EIFD agrees to pay to Developer the Actual Costs of such Components under this Section 5.2(a) before: (i) completion of the Privately-Owned Facility of which the Component is a part (unless it is the final Component of a Privately-Owned Facility); or (ii) the transfer to the owner of title to the Privately-Owned Facility and the property underlying the Component. A reasonably detailed description and estimated Actual Cost of each Component to be financed under this Section 5.2(a) must be listed on Exhibit B (either originally or through an approved Supplement). As used in this Agreement, the term Component means:

(i) segments of Privately-Owned Facilities; or

(ii) incremental completion of a Privately-Owned Facility or Component (i.e., progress payments).

(c) Soft costs may be paid as part of the Actual Cost of any Component. In addition, soft costs for more than one Privately-Owned Facility may be submitted for approval

as they occur in advance of construction of such Privately-Owned Facility provided that the soft costs apply to a Privately-Owned Facility or Component listed in Exhibit A or Exhibit B.

(d) The City and EIFD acknowledge that a Component does not have to be accepted by the owner as a condition precedent to the payment of the Actual Costs of the Component.

5.3 Processing Payment Requests for Privately-Owned Facilities and Components.

(a) To initiate the process for payment for a Privately-Owned Facility or Component thereof, Developer must deliver to the Director of Public Works a Payment Request in the form of Exhibit D that contains all relevant information, including the Identified Funding Sources, together with all required attachments and exhibits, all in an organized manner. Required attachments to each Payment Request include:

(i) a copy of the Private Completion Confirmation; and

(ii) Proof of Payment evidencing the Actual Costs were previously incurred and, if applicable, paid for the Privately-Owned Facility.

(b) In addition to those items listed in Section 5.3(a) above, any Payment Request for a Component must be supported by the following documentation:

(i) a completed copy of Exhibit D-1 specifying each contractor, subcontractor, materialman, and other person with whom Developer or its contractor has entered into contracts or contract change orders with respect to any Component included in the Payment Request and, for each of them: (A) the amount of each such contract; and (B) the amount of the requested Actual Cost attributable to each specific contractor, subcontractor, materialman, and other person; and

(ii) duly executed unconditional or conditional lien releases and waivers (in the applicable form provided in Calif. Civil Code § 3262) from all contractors, subcontractors, materialmen, consultants, and other persons retained by Developer in connection with the Component, under which each such person unconditionally or conditionally waives all lien and stop notice rights with respect to the pending payment.

(c) In addition to those items listed in Section 5.3(a) above, a Payment Request for a Completed Privately-Owned Facility or the final Component will be complete only after Developer has submitted all of the following documents, to the extent applicable:

(i) a copy of the Private Completion Confirmation or, if applicable, similar evidence that the Governmental Entity has found the Privately-Owned Facility to be Complete;

(ii) with regard to Privately-Owned Public Open Spaces, a Declaration of Public Open Space Covenants and Restrictions recorded in accordance with the

Public Improvement Agreement and, for the 3333 California Street Project only, Exhibit D to the Second Amendment to Development Agreement;

(iii) with regard to the Walnut Affordable Housing Building, (A) a Notice of Special Restrictions (Affordable Housing) recorded in accordance with the Development Agreement and (B) if the Notice of Special Restrictions (Affordable Housing) does not evidence compliance with the EIFD Law, a covenant or restriction recorded in the real property records evidencing compliance with the EIFD Law;

(iv) with regard to the Walnut Affordable Housing Building, the project completion audit or cost certification required by Section 4.2(d), evidencing all Actual Costs incurred and Third Party Reimbursements received; and

(v) signed and acknowledged lien releases and waivers (in the required statutory forms) from all contractors, subcontractors, materialmen, consultants, and other persons that Developer retained in connection with the Privately-Owned Facility or Component thereof, in each instance unconditionally or conditionally waiving all lien and stop notice rights with respect to the pending payment.

(d) Cost Allocation. Developer will provide its Developer Allocation that is included in the calculation of the Actual Cost in Exhibit D-2 to each Payment Request under this Article 5, showing how Developer has allocated the following costs paid or incurred by Developer (as applicable):

(i) costs that apply to more than one Privately-Owned Facility or Component (e.g., soft costs), as allocated between the Privately-Owned Facilities or Components;

(ii) costs that apply to both Privately-Owned Facilities or Components and other improvements (e.g., grading or in a residential building containing both market rate and inclusionary units, the cost of building-wide systems and common areas), as allocated between the Privately-Owned Facilities or Components and the other improvements; and

(iii) amounts paid to the City that apply to more than one Privately-Owned Facility or Component or both Privately-Owned Facilities or Components and other improvements (e.g., inspection fees, plan review fees, etc.), as allocated between the Privately-Owned Facilities or Components and, if applicable, the other improvements.

(e) Review Process. The process for review of the Payment Requests for Privately-Owned Facilities and Components is subject to Article 6.

5.4 Payment.

(a) Processing of Payment Requests. Payment Requests for Privately-Owned Facilities or Components shall be processed pursuant to Sections 4.2 and 4.3 above.

5.5 Eligibility of Affordable Housing for Financing.

(a) Applicability. The following additional provisions shall apply to the financing of the Walnut Affordable Housing Building. In the event of any conflict between this Section 5.5 and the other provisions of this Article 5, this Section 5.5 shall govern.

(b) Housing Plan. The 3333 California Street Developer shall provide affordable housing in accordance with the Housing Plan, subject to such other requirements described in this Section 5.5. In the event of any conflict between this Section 5.5 and the Housing Plan, this Section 5.5 shall govern solely to the minimum extent required to comply with the EIFD Law.

(c) Permitted Uses of EIFD Financing for Affordable Housing.

(i) The 3333 California Street Developer may use proceeds of EIFD Bonds and Allocated Tax Revenue to finance the Actual Costs (including related planning and design work) of purchasing, constructing, expanding, improving, seismic retrofitting or rehabilitating affordable housing units in the Walnut Affordable Housing Building. The EIFD shall require, by recorded covenants or restrictions, that housing units built with financial assistance from the EIFD shall remain available at affordable housing costs to, and occupied by, persons and families of very low, low, or moderate income (as defined in California Health and Safety Code Sections 50105 and 50093) for the longest feasible time (including the period of time specified in the Housing Plan), but for not less than 55 years for rental units and 45 years for owner-occupied units.

(ii) The 3333 California Street Developer may use proceeds of EIFD Bonds and Allocated Tax Revenue to finance the Actual Costs (including related planning and design work) of purchasing, constructing, expanding, improving, seismic retrofitting or rehabilitating facilities for child care, after school care, and social services located on the 3333 California Street Project Site.

(iii) The 3700 California Street Developer may use proceeds of EIFD Bonds and Allocated Tax Revenue to finance the 3700 California Street Affordable Housing In-Lieu Fee used to construct housing units, on-site or off-site, in accordance with the IFP and the EIFD Law. The EIFD shall require, by recorded covenants or restrictions, that housing units built with financial assistance from the EIFD shall remain available at affordable housing costs to, and occupied by, persons and families of very low, low, or moderate income (as defined in California Health and Safety Code Sections 50105 and 50093) for the longest feasible time (including the period of time specified in the Housing Plan), but for not less than 55 years for rental units and 45 years for owner-occupied units and (B) any child care, after school care, and social services financed by the 3700 California Street Affordable Housing In-Lieu Fee shall be integrally linked to tenants of the units described in the preceding clause (A). The Developer acknowledges that any EIFD Bonds issued to finance 3700 California Street Affordable Housing In-Lieu Fee

may be issued as federally taxable EIFD Bonds. The 3700 California Street Developer will not build any Affordable Housing Units.

(d) The 3333 California Street Developer agrees that, solely to the extent required by the EIFD Law and the Housing Plan, (i) the Walnut Affordable Housing Building financed by the EIFD will be subject to the lottery system established by MOHCD under Section 415, (ii) MOHCD will monitor and enforce the requirements applicable to the Walnut Affordable Housing Building financed by the EIFD under this Agreement in accordance with Planning Code Section 415.9, except that all references to Section 415 will be deemed to refer to the requirements under the Housing Plan, and (iii) to the extent there are implementation issues that have not been addressed, defined, or are otherwise regulated by this Agreement or the Housing Plan, then the provisions of Section 415 and the MOHCD Manual shall govern and control such issues. For avoidance of confusion, nothing in this Agreement shall permit MOHCD or the City to restrict the Walnut Affordable Housing Building to be affordable to households earning less than the maximum AMI percentage for households earning very low, low, or moderate income (as defined in California Health and Safety Code Sections 50105 and 50093) or less than the maximum AMI levels permitted in the Housing Plan, unless such restriction is required by the EIFD Law and the 3333 California Street Developer elects at its sole discretion to use the proceeds of the EIFD Bonds and Allocated Tax Revenue to finance the Walnut Affordable Housing Building. Neither the City nor MOHCD shall have the right to require 3333 California Street Developer to sell or rent units at the Walnut Affordable Housing Building at price or rent that is lower than required by the Housing Plan. The rights of the City and the EIFD set forth in this subsection shall be included in a Notice of Special Restrictions (Affordable Housing) recorded in accordance with the Development Agreement and, if the Notice of Special Restrictions (Affordable Housing) does not evidence compliance with the EIFD Law, a covenant or restriction recorded in the real property records evidencing compliance with the EIFD Law.

(e) The financing of the Actual Cost of the Walnut Affordable Housing Building is subject to Section 5.2(a).

ARTICLE 6 PAYMENT REQUESTS GENERALLY; VESTING; COVENANTS

6.1 Application of Payment Requests.

(a) Each Payment Request will be numbered consecutively. Each Payment Request will be assigned the next available number when submitted to the Director of Public Works, pursuant to Section 4.2 and Section 5.4.

(b) Each Payment Request will identify all the Identified Funding Sources that are eligible to be used to pay it.

(c) The EIFD will satisfy a Payment Request only from the Identified Funding Sources.

(d) The City shall not deliver to the EIFD a counter-signed Payment Request while the Developer that provides the Payment Request is delinquent in the payment of any ad valorem taxes, special taxes, or property tax assessments levied on any parcel it then owns

or, for the 3333 California Street Project only, while the 3333 California Street Developer is in Default (under and as defined in the Development Agreement).

(e) The City, the EIFD, and each Developer acknowledge that EIFD Funding Sources may be applied to the payment of a Payment Request only to the extent that the costs of the Acquisition Facility (or Component thereof) or Privately-Owned Facility (or Component thereof) are Qualified.

(f) Payment Requests may be paid: (i) in any number of installments as Identified Funding Sources become available; and (ii) irrespective of the length of time of such deferral of payment.

6.2 Partial Payments; Vested Payment Requests. If Identified Funding Sources are not sufficient to pay all or any part of a Payment Request, then the EIFD will pay the Payment Request to the extent of available Identified Funding Sources and notify Developer of the amount of the remaining portion, which may be the entirety of the Payment Request if there were no Identified Funding Sources available at the time of submission of the Payment Request (herein, the “**Unpaid Portion**”). The right to the payment of the Unpaid Portion of the Payment Request from the Identified Funding Sources will vest in the payee of such Payment Request (the “**Vested Payment Request**”). Promptly following the availability of Identified Funding Sources, the EIFD will, from time to time and in as many installments as necessary, pay any Vested Payment Request. The Vested Payment Request will be paid from such Identified Funding Sources to the payee of such Vested Payment Request in the chronological order of the number of the Payment Request. Unpaid Vested Payment Requests will be paid from the Identified Funding Sources in their relative order of priority under this Section 6.2 before Identified Funding Sources may be used for any other purposes under this Agreement regardless of: (a) the identity of the owner of any property in the Project Site at the time of the payment of the Vested Payment Request; (b) whether the payee under the Vested Payment Request is, at the time of payment, a Party or a party to the Development Agreement; and (c) for the 3333 California Street Project only, whether the Development Agreement has been assigned to or assumed by another person. Subject to Section 6.6, this Section 6.2 will survive termination of this Agreement and the Development Agreement.

6.3 Miscellaneous.

(a) Communications requesting additional information about and notices of approval or disapproval of a Supplement or a Payment Request or the insufficiency of Identified Funding Sources to pay an approved Payment Request in full may be made in any written form for which receipt may be confirmed, including facsimile, electronic mail, and certified first class mail, return receipt requested. Such communications will be effective upon receipt, or, if delivered after 5 p.m. or on a weekend or holiday, the next business day.

(b) All proposed Supplements and Payment Requests submitted to the Director of Public Works must be sent by certified first class mail - return receipt requested, personal delivery, receipted overnight delivery or email. Payment Requests must be clearly marked: “Payment Request No. _____; 3333/3700 California Street; Attn: _____.” Delivery of a Supplement or Payment Request to the Director of Public Works will be effective

on the actual date of delivery, or, if delivered after 5 p.m. or on a weekend or holiday, the next business day. Copies of Payment Requests must be delivered in the same manner as the original.

(c) In connection with processing any request under this Agreement (including Payment Requests and Supplements), the City agrees that any additional information request by the Director of Public Works to Developer must be submitted as soon as practicable following the submission of the original materials, but in any event prior to applicable deadlines required by this Agreement. The Director of Public Works will use its good faith efforts to make each additional information request comprehensive and thorough to minimize the number of requests delivered, and Developer will use its good faith efforts to provide a thorough, organized, and complete response to each request. Developer is authorized to communicate directly with the Director of Public Works and its designees, agents, and contractors to facilitate any additional information request, to facilitate the prompt resolution of any technical issues, and to minimize the amount of time it takes to resolve outstanding issues.

6.4 Deposits.

(a) This section applies to Actual Costs that consist of EIFD Eligible Fees that will be used to finance EIFD Improvements, including affordable housing, on-site or off-site, as described in Section 5.5. If the EIFD Eligible Fees are paid by the EIFD Funding Sources prior to the time such fees are otherwise due and payable, then the Developer that paid the EIFD Eligible Fees shall be provided with a corresponding credit against its obligation to pay such EIFD Eligible Fees. The Developer and the City understand that on the date of proposed application of EIFD Funding Sources for Impact Fees and Exactions the City must make three determinations: (i) whether the Impact Fees and Exactions are EIFD Eligible Fees; (ii) if the Impact Fees and Exactions are EIFD Eligible Fees, whether the City department receiving the EIFD Eligible Fees has spent, or will commit to spend, the EIFD Funding Sources on Actual Costs of EIFD Improvements and affordable housing as described in Section 5.5 in accordance with the IFP and the EIFD Law, and to maintain records demonstrating such expenditures (the “Eligibility Test”); and (iii) if the Impact Fees and Exactions are EIFD Eligible Fees and have satisfied the Eligibility Test, whether those Impact Fees and Exactions may be financed on a tax-exempt or taxable basis under the Internal Revenue Code and its applicable regulations (the “Tax-Exempt Test”). In determining whether the EIFD Eligible Fees will satisfy the Eligibility Test, the City shall use commercially reasonable efforts to work with the City department receiving the EIFD Eligible Fees to allocate the EIFD Funding Sources to Actual Costs of EIFD Improvements and affordable housing as described in Section 5.5 and to maintain the necessary expenditure records so as to satisfy the Eligibility Test. In connection with the Tax-Exemption Test, the City shall use commercially reasonable efforts to finance the EIFD Eligible Fees that have met the Eligibility Test on a tax-exempt basis, but if it is determined that all or any portion of the EIFD Eligible Fees that have met the Eligibility Test cannot be financed on a tax-exempt basis, the City will utilize a combination of tax-exempt bonds, taxable bonds, and direct pay of Allocated Tax Revenues to finance such EIFD Eligible Fees. All references in this Agreement to the financing of Impact Fees and Exactions shall be deemed to be a reference to EIFD Eligible Fees that are eligible to be financed under this Section 6.4(a).

(b) The Developer may be required to pay such EIFD Eligible Fees prior to the availability of the EIFD Funding Sources to pay such EIFD Eligible Fees. In the event such

EIFD Eligible Fees are paid prior to the availability of such EIFD Funding Sources, the amounts paid to the City shall be deemed to be deposits (each a “**Deposit**”) that are subject to refund by the City to the Developer that paid the EIFD Eligible Fees in the manner provided in this Section. Any Deposits made to the City shall be deposited in a separate capital facilities account(s) and may be expended by the City in the ordinary course of business. If the City expends any of the Deposits in the ordinary course of business, the City will be deemed to replenish the expended Deposits from the EIFD Funding Sources if and when received (herein, “**Replenishment**”). The 3333 California Street Developer and the 3700 California Street Developer acknowledge that the City may finance EIFD Eligible Fees with proceeds of tax-exempt bonds only if the City can meet certain requirements of federal tax law, as determined by the City and the EIFD in consultation with their bond counsel. Nothing in this Agreement shall prohibit the issuance of taxable EIFD Bonds necessary to finance those fees that are ineligible to be financed on a tax-exempt basis.

(c) If the Developer has made any Deposits, then following (i) deposit of EIFD Funding Sources with the City for the corresponding EIFD Eligible Fees where the Developer’s Deposit has not been expended by the City or (ii) Replenishment after the Developer’s Deposit has been expended by the City, the City shall return to the Developer that paid the EIFD Eligible Fees from the capital account in which the Deposits were deposited an amount equal to the Deposits (including any amounts available as a result of a Replenishment), without interest or other earnings thereon. The City shall be so obligated to return an amount equal to such Deposits to the Developer that paid the EIFD Eligible Fees only to the extent that an amount equivalent to the amount of the Deposits is deposited with the City from the EIFD Funding Sources. An amount equal to such Deposits may be returned to the Developer that paid the EIFD Eligible Fees from time to time as additional EIFD Funding Sources become available.

(d) EIFD Funding Sources used to pay EIFD Eligible Fees shall be allocated first for return of all Deposits (after Replenishment, if any) prior to being allocated to the payment of EIFD Eligible Fees not previously deposited. For example, if the Developer has paid \$10,000 in Deposits, and EIFD Funding Sources become available in the amount of \$15,000, the City shall apply the first \$10,000 of the EIFD Funding Sources to the payment of the EIFD Eligible Fees that were paid by the Deposits (and, thereafter, return the Deposits to the Developer that paid the EIFD Eligible Fees) and use the remaining \$5,000 of the EIFD Funding Sources to the payment of EIFD Eligible Fees not previously paid by the Deposits, and, in the case of the \$5,000 payment, the City shall provide a credit against the EIFD Eligible Fees, as described in subsection (a) above.

(e) Any Deposits that have not been returned to the Developer that paid the EIFD Eligible Fees at the time it is determined that there will be no further EIFD Funding Sources or CFD Funding Sources available (now or in the future) shall be retained by the City and may be used (to the extent it has not already been so used) for the purposes for which the EIFD Eligible Fees were required, and the unrefunded Deposits shall constitute full and final payment for such EIFD Eligible Fees without any increase of any kind.

(f) The Developer may pay EIFD Eligible Fees prior to the availability of EIFD Funding Sources to pay such EIFD Eligible Fees. Any EIFD Eligible Fees paid (as Deposits) by the Developer shall be made with the understanding that such Deposits (after Replenishment, if any) will be returned from the EIFD Funding Sources if, and when, such EIFD Funding Sources become available. The payment of Deposits prior to the availability of the EIFD

Funding Sources shall not be construed as a dedication or gift of the EIFD Eligible Fees, or a waiver of the return of the Deposits, it being the intention that the EIFD Eligible Fees be financed by the EIFD Funding Sources as set forth herein.

(g) The provisions of this Section 6.4 are subject to Section 5.2(a) with respect to the Gap Fees.

6.5 Waiver by 3700 California Street Developer. The 3700 California Street Developer shall not be entitled to receive payment or reimbursement under this Agreement unless the 3700 California Street Developer has executed and the City has caused to be recorded in the real property records a waiver that is substantively similar to the waiver of the 3333 California Street Developer set forth in Section 3.6 of the Financing Plan. Should the City determine, based upon the advice of bond counsel, that the provisions of the 3700 California Street Developer's waiver could cause the interest on an issue of EIFD Bonds to be subject to federal income taxation, the City, the 3700 California Street Developer and the 3333 California Street Developer shall meet and confer to discuss bond counsel's advice and thereafter, the City may either, in its discretion (i) ask the Public Financing Authority to issue such proposed EIFD Bonds as federally taxable bonds or (ii) (A) release the 3700 California Street Developer from its obligations under such waiver, and the waiver will be deemed to have been discharged and (B) ask the Public Financing Authority to structure any proposed EIFD Bonds in accordance with Section 3.4(c) of the Financing Plan after taking into account the release of the 3700 California Street Developer's obligations under such waiver.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties of Developer. Each of the 3333 California Street Developer and the 3700 California Street Developer represents and warrants, individually as to itself and not as to the other, to and for the benefit of the City and the EIFD that:

(a) Developer is a limited liability company duly organized and validly existing under the laws of the State of Delaware, is qualified to transact business and is in good standing in the State of California, is in compliance with the laws of such state, and has the power and authority to own its properties and assets and to carry on its business as now being conducted.

(b) Developer has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by Developer.

7.2 Representations and Warranties of the City. The City represents and warrants to and for the benefit of each Developer and the EIFD that:

(a) The City is a duly formed corporate body under the Constitution, the laws of the State of California and its charter, is in compliance with the Constitution, the laws of the State of California and its charter, and has the power and authority to own its properties and assets and to carry on its business as now being conducted.

(b) The City has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the City.

7.3 Covenants of the City.

(a) Allocation. The City covenants to allocate the Allocated Tax Revenue and the Conditional Tax Revenue in accordance with the IFP.

(b) No IFP Amendment without Developer Approval. The City will not approve any amendments to the IFP that would alter the following prioritization of use of the Allocated Tax Revenue without both the 3333 California Street Developer's and the 3700 California Street Developer's prior written approval:

(i) first, to pay EIFD administrative costs;

(ii) second, to pay debt service on EIFD Bonds and to replenish any reserve funds associated with EIFD Bonds;

(iii) third, to repay the City for any Conditional Tax Revenue actually used to pay debt service on EIFD Bonds or replenish debt service reserve funds for the EIFD Bonds in an amount equal to the Conditional Tax Revenue actually used to pay debt service on the EIFD Bonds or replenish debt service reserve funds for the EIFD Bonds plus interest through the date of repayment at an annual interest rate equal to the rate of interest on the United States Treasury bond with a 10-year maturity on the date of the first use of Conditional Tax Revenue plus 300 basis points, and such interest rate shall remain fixed for the remainder of the term of the IFP; and

(iv) fourth, to accumulate over time and, from time to time at the a Developer's request, to pay directly or reimburse such Developer for the Qualified EIFD Improvements as set forth in this Agreement.

(c) No Bond Parameter Amendments without All Developer Approval. The City will not approve any amendments of the IFP that would alter the following principles related to the issuance of EIFD Bonds: (i) the EIFD will issue EIFD Bonds in compliance with the EIFD Law and the IFP to finance the Qualified EIFD Improvements, (ii) the EIFD Bonds will not be issued except upon the written request of the 3333 California Street Developer and with the prior recommendation of the Controller and approval of the Board of Supervisors, and (iii) other than paying EIFD administrative costs, and costs of issuance and funding capitalized interest and debt service reserve funds, the proceeds of the EIFD Bonds shall be used to finance Qualified EIFD Improvements in the amounts requested by a Developer and approved by the City.

7.4 Covenants of the Developer. The 3333 California Street Developer and the 3700 California Street Developer each separately covenant as follows

(a) Filing of Annual Reports. In connection with the EIFD's preparation and filing of the annual report required by California Government Code Section

53398.66(j), the Developer shall provide such information and provide such assistance on a timely basis as may be reasonably requested by the EIFD.

(b) Preparation of Audits. In connection with the EIFD's preparation and filing of the audits required by California Government Code Sections 53398.66(j) and 53398.88, the Developer shall provide such information and provide such assistance on a timely basis as may be reasonably requested by the EIFD.

7.5 Representations and Warranties of the EIFD. The EIFD represents and warrants to and for the benefit of the 3333 California Street Developer, the 3700 California Street Developer, and the City that:

(a) The EIFD is a duly formed enhanced infrastructure financing district formed under the EIFD Law, is in compliance with the EIFD Law, and has the power and authority to carry on its business as now being conducted.

(b) The EIFD has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered by the EIFD.

7.6 Covenants of the EIFD. The EIFD makes the following covenants to the City, the 3333 California Street Developer, and the 3700 California Street Developer:

(a) Commencement Date for each Project Area. With respect to each Project Area, the EIFD shall not take any action to interfere with the allocation of Allocated Tax Revenue from property in such Project Area in accordance with the IFP.

(b) Application of EIFD Funding Sources. The EIFD shall apply the EIFD Funding Sources in accordance with the IFP and this Agreement.

(c) Filing of Annual Reports. The EIFD shall timely file the annual report required by California Government Code Section 53398.66(j). The EIFD acknowledges that the failure to timely file the annual report (i) could result in the inability to spend any Allocated Tax Revenue until the report is filed and (ii) shall constitute an Event of Default by the EIFD under this Agreement.

(d) Preparation of Audits. The EIFD shall timely provide the audit required by California Government Code Section 53398.88. The EIFD acknowledges that the failure to timely prepare the audit shall constitute an Event of Default under this Agreement.

(e) No IFP Amendment without 3333 California Street Developer Approval. The EIFD will not approve any amendments to the IFP that would alter the following prioritization of use of the Allocated Tax Revenue without the prior written approval of the 3333 California Street Developer:

(i) first, to pay EIFD administrative costs;

(ii) second, to pay debt service on EIFD Bonds and to replenish any reserve funds associated with EIFD Bonds;

(iii) third, to repay the City for any Conditional Tax Revenue actually used to pay debt service on EIFD Bonds or replenish debt service reserve funds for the EIFD Bonds in an amount equal to the Conditional Tax Revenue actually used to pay debt service on the EIFD Bonds or replenish debt service reserve funds for the EIFD Bonds plus interest through the date of repayment at an annual interest rate equal to the rate of interest on the United States Treasury bond with a 10-year maturity on the date of the first use of Conditional Tax Revenue plus 300 basis points, and such interest rate shall remain fixed for the remainder of the term of the IFP; and

(iv) fourth, to accumulate over time and, from time to time at the a Developer's request, to pay directly or reimburse such Developer for the Qualified EIFD Improvements as set forth in this Agreement.

7.7 Events of Defaults; Remedies. In the event that the EIFD or the City defaults under its respective obligations under this Agreement or the IFP, the 3333 California Street Developer, the 3700 California Street Developer, or the City (in the case of an EIFD default) may provide a written notice of default to the EIFD or the City, as applicable (the "**Default Notice**"). The Default Notice shall specify the nature of the default, and shall determine whether the default has to do with the processing and delivering of Payment Requests, the application of Allocated Tax Revenue, Conditional Tax Revenue, or proceeds of EIFD Bonds, or the filing of the annual reports and audits required by the EIFD Law (herein, a "**Monetary Default**") or any other default under this Agreement or the IFP (herein, a "**Non-Monetary Default**"). The EIFD or the City, as the case may be, shall have three (3) business days to cure a Monetary Default and fifteen (15) business days to cure a Non-Monetary Default, in each case following receipt of the applicable Default Notice therefor. The failure to timely cure the default provided in the Default Notice shall be considered an "**Event of Default.**" If an Event of Default occurs, the City, the 3333 California Street Developer, or the 3700 California Street Developer, may exercise all legal and equitable remedies available, including but not limited to filing proceedings to obtain injunctive relief or compel specific performance of the IFP and this Agreement; provided, however, that the City shall not be liable for monetary damages as a result of the exercise of remedies by the Developer except for the payment of reasonable attorneys' fees and costs pursuant to Section 8.3. The EIFD and the City hereby acknowledge and agree that a failure of the EIFD or the City to timely perform any duty, obligation or covenant under the IFP or this Agreement, including the allocation and application of Allocated Tax Revenue and Conditional Tax Revenue in accordance with the IFP and this Agreement, will cause irreparable harm to each Developer that cannot be fully compensated by monetary damages, and shall entitle each Developer to seek injunctive relief or specific performance. In addition, the City shall also be entitled to all legal and equitable remedies, including, but not limited to, injunctive relief to compel the EIFD to perform its duties, obligations, or covenants under the IFP and this Agreement.

(a) Waiver of Government Claims Act Procedures. Due to the unique nature of the IFP and the Project and because time is of the essence in the performance of obligations under the IFP and this Agreement, the City and the EIFD hereby each waive the procedural protections of the Government Claims Act, Cal. Gov't Code Section 810 et seq, in

connection with any dispute related to or arising out of the IFP or this Agreement, including those procedures requiring the filing of an administrative claim within the applicable statute of limitation.

(b) Rights and Remedies Cumulative. The rights and remedies of the 3333 California Street Developer, the 3700 California Street Developer, and the City regarding the enforcement of the IFP and this Agreement shall be cumulative, and the exercise by any Party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other remedies contained in this Agreement for the same breach by the applicable Party. The City and the Developer may pursue remedies simultaneously on the same matter. In addition, the remedies provided in this Agreement regarding the enforcement of the IFP and this Agreement do not limit the remedies provided in other Project agreements among the City and the EIFD.

ARTICLE 8 MISCELLANEOUS

8.1 Limited Liability of the City and EIFD. Except as otherwise provided in the Development Agreement (for the 3333 California Street Project only), each Developer agrees that any and all obligations of the City and EIFD arising out of or related to this Agreement are special and limited obligations of the City and EIFD, and the EIFD's obligations to make any payments under this Agreement to implement the Financing Plan are restricted entirely to available EIFD Funding Sources and Conditional Tax Revenue as provided in the IFP and the Financing Plan and from no other source. No member of the Board of Supervisors, the Public Financing Authority, or City staff member or employee will incur any liability under this Agreement to Developer in their individual capacities by reason of their actions under this Agreement or execution of this Agreement. It is understood and agreed that no commissioners, members, officers, or employees of the City or EIFD (or of its successors or assigns) will be personally liable to either Developer, nor will any officers, directors, shareholders, agents, or employees of a Developer (or of its successors or assigns) be personally liable to the City or EIFD in the event of any default or breach of this Agreement by the City or EIFD or for any amount that may become due to a Developer, the EIFD, or the City, as the case may be, under this Agreement or for any obligations of the Parties under this Agreement.

8.2 Timelines. Time is of the essence with respect to each provision of this Agreement in which time is a factor. The City will use good faith efforts to comply with all timelines applicable to City responses set forth in this Agreement, but failure by the City to comply with such timelines shall not result in deemed approval of the related request or a default by the City under this Agreement. In the event the City fails to exercise good faith in complying with the timelines or repeatedly fails to meet the timelines in this Agreement, either Developer may add such failures as an agenda item for a meeting of the Review Panel.

8.3 Attorneys' Fees.

(a) Should any Party institute any action or proceeding in court or other dispute resolution mechanism permitted or required under this Agreement, the prevailing Party shall be entitled to receive from the losing Party the prevailing Party's reasonable costs and

expenses incurred including, without limitation, expert witness fees, document copying expenses, exhibit preparation costs, carrier expenses and postage and communication expenses, and such amount as may be awarded to be reasonable attorneys' fees and costs for the services rendered the prevailing Party in such action or proceeding. Attorneys' fees under this Section 8.3 shall include attorneys' fees on any appeal.

(b) For purposes of this Agreement, reasonable fees of a Party's in-house attorneys shall be no more than the average fees regularly charged by private attorneys with an equivalent number of years of professional experience in the subject matter area of the law for which such attorneys services were rendered who practice in the City in law firms with approximately the same number of attorneys as employed by the applicable Party.

8.4 Notices. Except as provided in Sections 6.3(a) and (b), for the City and the 3333 California Street Developer, any notices to be provided under this Agreement must be delivered to the addresses and in the manner set forth in the Development Agreement. For the 3700 California Street Developer, any notices to be provided under this Agreement must be delivered to the following address: 150 Post Street, Suite 320, San Francisco, California 94108.

8.5 Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Parties. This Agreement may not be assigned by the EIFD or the City. This Agreement may be assigned by the 3333 California Street Developer to Permitted 3333 Assigns only. This Agreement may be assigned by the 3700 California Street Developer to Permitted 3700 Assigns only. The sale of property and the entering into a DA Assignment and Assumption Agreement by a Transferee does not give the Transferee any rights under this Agreement. A Transferee will have no rights under this Agreement unless the 3333 California Street Developer has specifically assigned this Agreement in whole or in part in a separate written EIFD Assignment and then only to the extent set forth in the EIFD Assignment.

8.6 Other Agreements. The obligations of the 3333 California Street Developer and the 3700 California Street Developer under this Agreement will be those of a Party and not as an owner of property in the Project Site. Nothing in this Agreement may be construed as affecting the City's or the rights of each of the Developers, or duties to perform their respective obligations under the Development Agreement (for the 3333 California Street Project only), the Conditions of Approval (for the 3700 California Street Project only) and any Existing Standards. If this Agreement creates ambiguity in relation to or conflicts with any provision of the Financing Plan or the IFP, then the Financing Plan or IFP, as the case may be, will prevail.

8.7 Waiver. Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by another Party, or the failure by a Party to exercise its rights upon the default of another Party, will not constitute a waiver of such Party's right to later insist upon and demand strict compliance by another Party with the terms of this Agreement.

8.8 Parties in Interest. Nothing in this Agreement, expressed or implied, is intended to or will be construed to confer upon or to give to any person or entity other than the City, the EIFD, and Developer any rights, remedies or claims under or by reason of this Agreement or any covenants, conditions, or stipulations of this Agreement; and all covenants, conditions, promises, and agreements in this Agreement contained by or on behalf of the City, the EIFD, or

Developer will be for the sole and exclusive benefit of the City, the EIFD, and each Developer, subject to Section 8.5.

8.9 Amendment. This Agreement may be amended from time to time by the written agreement of the City, the EIFD, the 3333 California Street Developer, and the 3700 California Street Developer. A Supplement may be approved under Section 1.4. The Parties agree that changes to the forms of the Payment Requests as needed to make adjustments to clarify and expedite the payment process under this Agreement are ministerial in nature and do not require an amendment to this Agreement.

8.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be deemed an original, and all of which together shall constitute one and the same instrument. This Agreement shall become effective when the Parties have duly executed and delivered signature pages of this Agreement to each other. Delivery of this Agreement may be effectuated by hand delivery, mail, overnight courier, or electronic communication (including by PDF sent by electronic mail, facsimile, or similar means of electronic communication). Any signatures (including electronic signatures) delivered by electronic communication shall have the same legal effect as physically delivered original signatures.

8.11 Interpretation of Agreement. Unless otherwise specified, whenever in this Agreement reference is made to any capitalized Article, Section, Exhibit, Attachment, Supplement or any defined term, the reference will mean the Article, Section, Exhibit, Attachment, Supplement, or defined term in this Agreement. Any reference to an Article or a Section includes all subsections, clauses, and subparagraphs of that Article or Section. The use in this Agreement of the words “including”, “such as”, or words of similar import when following any general term, statement or matter will not be construed to limit the statement, term or matter to the specific statements, terms or matters, whether or not language of non-limitation, such as “without limitation” or “but not limited to”, or words of similar import, is used. In the event of a conflict between the Recitals and the remaining provisions of this Agreement, the remaining provisions will prevail.

8.12 Numbers.

(a) Generally. For purposes of calculating a number under this Agreement, any fraction equal to or greater than one half (1/2) shall be rounded up to the nearest whole number and any fraction less than one half (1/2) shall be rounded down to the nearest whole number.

(b) Number of Days. References in this Agreement to days shall be to calendar days, unless otherwise specified; provided, that if the last day of any period to give notice, reply to a notice, meet a deadline or to undertake any other action occurs on a day that is not a business day, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. For purposes of this Agreement, the term “business day” means a day other than a Saturday, Sunday, or a federal holiday. A business day begins at 8 a.m. and ends at 5 p.m., Pacific Standard Time or Pacific Daylight Savings Time, whichever is in effect on the date in question.

ARTICLE 9 DEFINITIONS

9.1 Definitions. If a term that is used in this Agreement with respect to the 3700 California Street Project is defined in the Development Agreement or the Financing Plan, it shall have the meaning given such term in the Development Agreement or Financing Plan even though the 3700 California Street Project is not subject to the Development Agreement or Financing Plan.

“Acceptable Title” means, with respect to Acquisition Facilities only constructed on land that is not owned by the City or other Governmental Entity, title to real property or interest in real property free and clear of all liens, taxes, assessments, leases, easements, and encumbrances, whether or not recorded, except for: (a) those determined not to interfere materially with the intended use of such real property; (b) for the 3333 California Street Project only, those required to satisfy the terms of the Development Agreement; and (c) if the lien is for any existing CFD, then the lien of the special taxes shall be a permitted exception to title so long as the real property, while owned by the City or any Governmental Entity, is exempt from the special tax to be levied by the CFD.

“Acquisition Facilities” means the facilities described in Exhibit A and Exhibit B to be acquired by the City or other Governmental Entity.

“Acquisition Facility Completion Confirmation” means, as the context requires, an Acquisition Facility Determination of Completion or an Acquisition Facility Determination of Component Completion issued by the Director of Public Works or the San Francisco Department of Building Inspection with respect to an Acquisition Facility or Component, respectively.

“Acquisition Facility Determination of Completion” means, for a completed Acquisition Facility, a written notice from the Director of Public Works that the Acquisition Facility has been approved as inspected. Pursuant to the MOU, the Department of Public Works will provide construction inspection services for all Acquisition Facilities constructed on or after the date of the MOU. For all Acquisition Facilities inspected or to be inspected by the Department of Public Works or the San Francisco Department of Building Inspection, the Acquisition Facility Determination of Completion shall be the form customarily provided by the Director of Public Works or the San Francisco Department of Building Inspection to evidence the completion and approval of the inspection of a facility. An Acquisition Facility Determination Completion does not constitute a Notice of Completion under the Public Improvement Agreement.

“Acquisition Facility Determination of Component Completion” means a written notice of the Director of Public Works that a Component has been approved as inspected. For a Component being financed in progress payments, the written notice shall evidence that the work represented by the progress payment requested has been performed. The form of the written notice shall be the form (e.g., a job card) customarily provided by the Director of Public Works to evidence the approval of the inspection of work in place. An Acquisition Facility Determination of Component Completion does not constitute a Notice of Completion under the Public Improvement Agreement.

“**Actual Cost**” means the out-of-pocket Qualified costs actually incurred by Developer in connection with construction of an Acquisition Facility (or Component thereof) or Privately-Owned Facility (or Component thereof) (which includes any applicable Developer Allocation, or Agreed-Upon Allocation), including, without limitation or duplication:

(i) costs incurred by the Developer to acquire from unrelated Third Parties, hold through completion of the EIFD Improvements, and as relates to Acquisition Facilities, convey Acceptable Title to the City or any other Governmental Entity, any real property, rights-of-way, or other interests in real property (including, without limitation, temporary or permanent leases, easements, rights of entry, or encroachments) required to construct the EIFD Improvements, together with any transaction costs associated with the acquisition and/or conveyance, such as transfer taxes, title insurance, and recording fees;

(ii) “hard costs,” including without limitation:

(1) construction labor and materials;

(2) tenant improvements and/or tenant improvement allowances provided by Developer for Privately-Owned Facilities;

(3) preserving and modifying existing historical structures on the Project Site, including, without limitation, deconstruction, selective demolition, stabilization, seismic retrofit, and hazardous materials abatement activities; and any other costs incurred as it relates to historic preservation plans and protective measures;

(4) utility demolition and relocations;

(5) geotechnical measures to prepare the Project Site for construction of the EIFD Improvements, including, without limitation, excavation, soil harvesting for fill and surcharge, import and export of materials/soil for fill and surcharge, clearing and grubbing, slope stabilization, deep soil mixing and other ground improvement methods, installation of geogrid, surcharging, wick drains, rock fragmentation, placement of fill, compaction, mass and finish grading, and post-construction stabilization such as hydroseeding;

(6) site preparation and management costs including, without limitation, contractor mobilization; potholing; construction staking; demolition; excavation; shoring; supportive structures below or beyond the EIFD Improvements (if required to construct EIFD Improvements except with respect to demolition costs); dewatering; erosion, dust, vibration, stormwater, groundwater, archaeological, paleontological, biological, traffic and air quality monitoring and control measures, hazardous materials/soil abatement, and unforeseen conditions as required during construction of the EIFD Improvements pursuant to the Approvals and Non-City Approvals (with respect to the 3333 California Street Project) and the Conditions of Approval (with respect to the 3700 California Street Project); temporary improvements, equipment, fencing, job site trailers, parking, signage, labor, lighting, utilities. For the avoidance of doubt, because demolition, in whole or in part, of the existing structurally non-code conforming improvements is a prerequisite to the

construction and delivery of the new housing Projects, all demolition-related activities and associated costs necessary to prepare the sites for the new Projects shall constitute eligible costs of the EIFD Improvements; and

(7) temporary or permanent improvements on private properties on or adjacent to the Project Site as required to construct the EIFD Improvements, including without limitation, relocating and/or replacing service laterals, boxes, vaults and fire department connections, conforming driveways and pedestrian pathways to new grades, demolition, structural modifications/rehabilitation, and exterior façade work of existing buildings and garages associated with demolition required for the EIFD Improvements, and installing shoring;

(iii) “soft costs” such as architectural, engineering, consultant, accountant, attorney, reprographics, and other professional fees, including, without limitation:

- (1) architects and landscape architects;
- (2) environmental scientists, consultants, and engineers;
- (3) civil, geotechnical, and structural engineering;
- (4) surveying;
- (5) cost estimating and other preconstruction services;
- (6) traffic studies, street geometric and signal design, and transportation demand management;
- (7) mechanical, electrical, and plumbing design;
- (8) acoustical design and engineering;
- (9) lighting design;
- (10) signage and interpretive design;
- (11) waterproofing consultants;
- (12) vertical transportation design;
- (13) fire & life safety systems design;
- (14) joint trench design and utility consultants;
- (15) code consultants;
- (16) sustainability consultants;
- (17) interior design;
- (18) testing and special inspection;
- (19) peer review of any of the foregoing;
- (20) permit expediting; and
- (21) LBE management/consultation; and
- (22) EIFD management/consultation.

(iv) property insurance (including any comprehensive owner-controlled insurance program, general liability, automobile liability, worker’s compensation, personal property, flood, pollution legal liability, comprehensive personal liability, builder’s risk, and professional services insurance);

(v) construction management fees, project management costs, and asset management costs paid to or by Developer (which may include the costs of Developer’s employees), a

Transferee, or their respective affiliates, limited in the aggregate to 15% of Actual Costs that are hard costs;

(vi) EIFD Eligible Fees that will be used to finance affordable housing as described in Section 5.5, utility connection fees and capacity charges incurred in connection with the construction of EIFD Improvements, plan check and inspection fees, and other fees paid by Developer to the City and any other Governmental Entity for obtaining permits, licenses, certificates of occupancy, Completion Confirmation, and all other Approvals and Non-City Approvals needed to develop or construct the EIFD Improvements;

(vii) Compliance with the Approvals, the Non-City Approvals, the Conditions of Approval, and CEQA, as applicable, including without limitation the MMRP (both on- and off-site related to EIFD Improvements);

(viii) City Costs;

(ix) real property and possessory interest taxes;

(x) costs to use financing sources other than the EIFD Funding Sources (such as a loan, surety bond, or letter of credit) that are provided by entities that are not affiliates of the Developer pursuant to an arm's length transaction, such as interest expense, points, lender fees, mortgage recording fees, and loan closing costs;

(xi) security required under the Development Agreement (for the 3333 California Street Project only), Approvals, Non-City Approvals or otherwise related to the construction, acceptance and/or conveyance of the EIFD Improvements, such as guarantees, letters of credit, and payment, performance and/or maintenance bonds, including any amounts paid by the Developer to a surety or bonding company for payments made under such surety or bonds;

(xii) Project Site safety and security measures;

(xiii) Third Party costs to prepare and store audits and reports consistent with the EIFD Law and this Agreement;

(xiv) the demolition, abatement, stabilization and/or rehabilitation of existing structures necessary to enable development of the Projects. For the avoidance of doubt, because demolition, abatement, stabilization and/or rehabilitation of the existing improvements is a prerequisite to the construction and delivery of the Projects, including the creation of housing that funds the affordable housing (in-lieu or constructed) and the EIFD Improvements, all such activities and associated costs shall be considered as a cost of the EIFD Improvements; and

(xv) any other cost specifically identified in this Agreement, the Development Agreement (for the 3333 California Street Project only), or IFP as a Qualified cost.

“Agreed-Upon Allocation” is defined in Section 4.2(a).

“Agreement” is defined in the introductory paragraph.

“**Allocated Tax Revenue**” is defined in the IFP.

“**Approvals**” is defined in the Development Agreement.

“**Board of Supervisors**” is defined in the Development Agreement.

“**Building**” or “**Buildings**” means each new or rehabilitated building that is constructed by Developer on the Project Site.

“**CFD**” is defined in the Financing Plan.

“**CFD Acquisition and Reimbursement Agreement**” means a CFD Acquisition and Reimbursement Agreement (3333 California Street), that may be entered into by and between the City and the 3333 California Street Developer.

“**CFD Bonds**” is defined in the Financing Plan.

“**CFD Funding Sources**” is defined in the Financing Plan.

“**CFD Remainder Taxes**” is defined in the CFD Acquisition and Reimbursement Agreement.

“**City**” is defined in the Financing Plan.

“**City Agency**” or “**City Agencies**” is defined in the Development Agreement.

“**City Costs**” is defined in the Development Agreement.

“**Complete**” (or its variant “**Completion**” or “**Completed**”) means, as applicable, that: (i) a specified scope of work has been substantially completed in accordance with the City-approved plans and specifications for such scope of work; (ii) with respect to Privately-Owned Facilities, the City Agencies or the Non-City Agencies with jurisdiction over any required permits for such Privately-Owned Facilities have issued all final approvals required for the contemplated use; (iii) with respect to any Acquisition Facilities, the City Engineer determines the Acquisition Facility has been completed to his or her satisfaction, the scope of work is ready for its intended use and the Acquisition Facility has been completed in accordance with the Subdivision Code and any applicable Public Improvement Agreement; and (iv) with respect to any Building, a temporary certificate of occupancy (or its equivalent) has been issued.

“**Completion Confirmation**” means, as the context requires, either the Acquisition Facility Completion Confirmation or the Private Completion Confirmation.

“**Component**” means a component or phase or progress payment of an EIFD Improvement or a Privately-Owned Facility shown in Exhibit B, as amended from time to time by an approved Supplement.

“**Conditional Tax Revenue**” is defined in the IFP.

“**Conditions of Approval**” means the conditions set forth in the San Francisco Planning Commission Motion No. 2731, adopted on May 1, 2025, related to the 3700 California Street Project (Conditional Use Authorization Application No. 2017-003559CUA-03).

“**DA Assignment and Assumption Agreement**” means an Assignment and Assumption Agreement, as defined in the Development Agreement.

“**Default Notice**” is defined in Section 7.7.

“**Department of Public Works**” is defined in Section 1.3.

“**Deposit**” is defined in Section 6.4(b).

“**Developer**” means, as the context requires, either the 3333 California Street Developer or the 3700 California Street Developer.

“**Developer Allocation**” is defined in Section 4.1(d).

“**Development Agreement**” means the Development Agreement by and between the City and the 3333 California Street Developer for the 3333 California Street Project, as amended by the Memorandum of Minor Modification of Development Agreement (Amendment No. 1) dated as of June 5, 2024, and recorded in the Official Records on June 26, 2024, as Document No. 2024048267 (“**First Amendment to Development Agreement**”), and the Second Amendment to Development Agreement dated as of April 30, 2025, and recorded in the Official Records on May 7, 2025, as Document No. 2025034503 (“**Second Amendment to Development Agreement**”).

“**Director of Public Works**” means the Director of Public Works of the City (or any successor officer designated by or under law) or the Director’s authorized designee, acting in that capacity under this Agreement.

“**Effective Date**” is defined in Section 1.1.

“**EIFD**” is defined in the Financing Plan.

“**EIFD Assignment**” means a written assignment of all or part of this Agreement by the Developer to a person, who may be a Transferee. An EIFD Assignment must be separate and apart from any DA Assignment and Assumption Agreement.

“**EIFD Bonds**” means one or more series of bonds issued by the EIFD and secured by the Allocated Tax Revenue and Conditional Tax Revenue.

“**EIFD Eligible Fees**” means (i) the Gap Fees defined in the Development Agreement, (ii) the Jobs Housing Linkage Fees defined in the Development Agreement, (iii) the AWSS Community Benefit Fee defined in the Development Agreement, (iv) the 3700 California Street Affordable Housing In-Lieu; (v) fees imposed by the City on the Projects after EIFD formation; and (vi) fees imposed by the City on the Projects prior to EIFD formation that are modified by the City after EIFD formation. Nothing in this definition, which limits the Impact Fees and Exactions that may be financed by the EIFD, is intended to limit the eligibility for financing of the Actual

Costs of EIFD Improvements incurred by the Developer in the construction of EIFD Improvements.

“**EIFD Funding Sources**” is defined in Recital D(1).

“**EIFD Improvements**” means the Acquisition Facilities and Privately-Owned Facilities described in Exhibit A (as such exhibit may be amended or supplemented from time to time in accordance with this Agreement) and other facilities and improvements eligible to be financed by the EIFD Law and the IFP (whether or not required by the Development Agreement) that are constructed in connection with the Project.

“**EIFD Law**” is defined in the IFP.

“**Event of Default**” is defined in Section 7.7.

“**Existing Standards**” is defined in the Development Agreement.

“**Financing Plan**” means the Financing Plan attached as Exhibit O to the Second Amendment to Development Agreement.

“**Fiscal Year**” means the period commencing on July 1 of any year and ending on the following June 30.

“**Gap Fees**” is defined in the Housing Plan.

“**Governing Acts**” means, as applicable, the EIFD Law, or the laws governing the issuance of EIFD Bonds.

“**Governmental Entity**” is defined in the Financing Plan.

“**Housing Plan**” is the Affordable Housing Program attached as Exhibit D to the Second Amendment to Development Agreement.

“**Identified Funding Sources**” means, as applicable (i) EIFD Funding Sources, (ii) CFD Funding Sources, and (iii) both of the foregoing, if the EIFD Improvement is eligible to be financed by both EIFD Funding Sources and CFD Funding Sources.

“**IFP**” means the Infrastructure Financing Plan for the EIFD required to be prepared and approved under the EIFD Law.

“**Impact Fees and Exactions**” is defined in the Development Agreement, which includes Gap Fees.

“**Indenture**” is defined in the Financing Plan.

“**Infrastructure**” means the infrastructure to be constructed by Developer for the Project.

“**Inspection Request**” is defined in Section 3.1(c).

“**MOHCD**” is defined in the Development Agreement.

“**Monetary Default**” is defined in Section 7.7.

“**MOU**” means the Memorandum of Understanding between the City and the Developers to be executed by the parties subsequent to the formation of the EIFD.

“**Non-City Agency**” means a Federal, State or local governmental agency that is not a City Agency.

“**Non-City Approvals**” is defined in the Development Agreement.

“**Non-Monetary Default**” is defined in Section 7.7.

“**Notice of Special Restrictions (Affordable Housing)**” means the Notice of Special Restrictions for the Walnut Affordable Housing Building, based on MOHCD’s standard form thereof with such changes as a necessary to reflect the specifics of the Walnut Affordable Housing Building and the Housing Plan, signed by the 3333 California Street Developer and recorded against the Walnut Housing Parcel.

“**Party**” or “**Parties**” means, individually or collectively as the context requires, the 3333 California Street Developer, the 3700 California Street Developer, the EIFD, and/or the City.

“**Payment Request**” means a document to be used by Developer in requesting payment for: (a) the Actual Costs of an Acquisition Facility or Component, substantially in the form of Exhibit C; or (b) the Actual Costs of a Privately-Owned Facility or Component, substantially in the form of Exhibit D.

“**PCOW**” is defined in Section 2.3(c).

“**Permitted 3333 Assigns**” means a Transferee (as defined in the Development Agreement) that (i) has executed a DA Assignment and Assumption Agreement with respect to the Development Agreement or has otherwise assumed the obligations thereunder, including by the express terms of the Development Agreement or by operation of law, and (ii) has executed an EIFD Assignment with respect to some or all of the rights set forth in the Financing Plan. A Transferee that has executed a DA Assignment and Assumption Agreement with respect to the Development Agreement but that was not assigned any rights and obligations under the Financing Plan through an EIFD Assignment shall not be considered a Permitted 3333 Assign of this Agreement notwithstanding that such Transferee shall be considered a “3333 California Street Developer” under the Development Agreement.

“**Permitted 3700 Assigns**” means a transferee of the 3700 California Street Project that has executed an EIFD Assignment with respect to some or all of the rights set forth in the Financing Plan and this Agreement. A transferee that has not been assigned any rights and obligations under this Agreement through an EIFD Assignment shall not be considered a Permitted 3700 Assign of the 3700 California Street Developer under this Agreement notwithstanding that such transferee owns all or part of the 3700 California Street Project.

“Plans” means the construction drawings and specifications that together form the basis of construction for an Acquisition Facility or Component, or a Privately-Owned Facility or Component. **“Private Completion Confirmation”** means, as the context requires, a Private Determination of Completion or a Private Determination of Component Completion issued by the Director of Public Works or the San Francisco Department of Building Inspection, as applicable, under Section 5.1 with respect to Privately-Owned Facility or Component, respectively.

“Private Determination of Completion” means, for a completed Privately-Owned Facility, a written notice from the Director of Public Works or the San Francisco Department of Building Inspection, as applicable, that the Privately-Owned Facility has been approved as inspected. Pursuant to the MOU, the Department of Public Works will provide construction inspection services for most Privately-Owned Facilities commenced on or after the date of the MOU. The Walnut Affordable Housing Building will be inspected by the San Francisco Department of Building Inspection. For all Privately-Owned Facilities inspected or to be inspected by the Department of Public Works, the Private Determination of Completion shall be in a form similar to the forms customarily provided by the Director of Public Works to evidence the completion and approval of the inspection of a facility. For the Walnut Affordable Housing Building, the Private Determination of Completion shall be a temporary certificate of occupancy.

“Private Determination of Component Completion” means a written notice of the Director of Public Works, or the San Francisco Department of Building Inspection, as applicable, that a Component of a Privately-Owned Facility has been approved as inspected. For a Component of a Privately-Owned Facility being financed in progress payments, the written notice shall evidence that the work represented by the progress payment requested has been performed. The form of the written notice shall be the form (e.g., a job card) customarily provided by the Director of Public Works or the San Francisco Department of Building Inspection, as applicable, to evidence the approval of the inspection of work in place.

“Private Inspection Request” is defined in Section 5.1.

“Privately-Owned Facilities” means EIFD Improvements that are not Acquisition Facilities.

“Privately-Owned Public Open Spaces” means for 3333 California Street Developer, the Publicly Accessible Private Improvements as defined in the Development Agreement.

“Project” means the 3333 California Street Project and the 3700 California Street Project.

“Project Area” means one or more project areas of the EIFD.

“Project Site” means either the 3333 California Street Project Site or the 3700 California Street Project Site.

“Proof of Payment” means a cancelled check, a wire or ACH confirmation demonstrating delivery of a direct transfer of funds, an executed and acknowledged unconditional lien release, or other evidence approved by the City demonstrating payment of the applicable Actual Cost.

“Public Financing Authority” is defined in the IFP.

“Public Improvement Agreement” means (A) for the 3333 California Street Project, (1) the Declaration of Restrictions and Obligations Pursuant to Major/Street Encroachment Permit, recorded in the Official Records of the City and County of San Francisco on June 25, 2024 as Instrument Number 2024048101, which includes Major/Street Encroachment Permit No. 19ME-00010, as the same may be amended from time to time, (2) Encroachment Permit and Maintenance Agreement, dated for reference as of June 5, 2024, by and between the City and the Developer, recorded in the Official Records of the City and County of San Francisco on June 20, 2024 as Instrument Number 2024046665, as the same may be amended from time to time, and (3) similar permits and agreements for future phases of the 3333 California Street Project and (B) for the 3700 California Street Project, (1) the _____ Public Improvement Agreement dated for reference as of _____, by and between the City and the Developer, recorded in the Official Records of the City and County of San Francisco on _____ as Instrument Number, as the same may be amended from time to time and (2) similar permits and agreements for future phases of the 3700 California Street Project..

“Public Improvements” means the facilities, both on- and off-site, to be improved, constructed and dedicated by Developer and, upon Completion in accordance with this Agreement, accepted by the City. Public Improvements include the streets within the Project Site and all Infrastructure and public utilities within such streets (such as electricity, water and sewer lines but excluding any non-municipal utilities), including sidewalks, landscaping, bicycle lanes, bus boarding island, street furniture, and paths and intersection improvements (such as curbs, medians, signaling, traffic controls devices, signage, and striping). The Public Improvements do not include Privately-Owned Facilities or, if any, privately owned facilities or improvements in the public right of way.

“Qualified” is defined in the Financing Plan.

“Ready for Payment” means that the Acquisition Facility (or Component thereof) or Privately-Owned Facility (or Component thereof) is ready for its intended use and is completed in substantial conformity with the Development Agreement (for the 3333 California Street Project only), Plans and Existing Standards and procedures, irrespective of the functionality of the larger system of which it is a part. A Ready for Payment determination does not constitute the issuance of a Notice of Completion under the Public Improvement Agreement.

“Replenishment” is defined in Section 6.4(b).

“Review Panel” is defined in Section 1.4(d).

“Section 415” means the City’s Inclusionary Affordable Housing Program as of the Effective Date (Planning Code sections 415 and 415.1 through 415.11).

“Subdivision Code” means the San Francisco Subdivision Code and Subdivision Regulations.

“Supplement” means a written amendment to Exhibit A or Exhibit B.

“Supplement Review Period” is defined in Section 1.4(a).

“**Third Party**” means a person that is not a Party or an Affiliate.

“**Third Party Reimbursements**” means payments, if any, from Third Parties that are received by Developer as a reimbursement of costs incurred with respect to the Acquisition Facilities or Privately-Owned Facilities, such as utility or other reimbursements.

“**Transferee**” is defined in the Development Agreement.

“**Transportation Demand Management Plan**” means the transportation demand management plan attached as Exhibit J to the Development Agreement.

“**Unpaid Portion**” is defined in Section 6.2.

“**Vested Payment Request**” is defined in Section 6.2.

“**Walnut Affordable Housing Building**” means the 3333 California Street Developer’s stand-alone 100% affordable housing building located on the Walnut Housing Parcel.

“**Walnut Housing Parcel**” is defined in the Housing Plan.

“**Workforce Agreement**” means the Workforce Agreement attached as Exhibit I to the Development Agreement.

“**3333 California Street Developer**” means Laurel Heights Partners, LLC, a Delaware limited liability company, and its successors and assigns.

“**3333 California Street Project**” means the “Project” defined in the Development Agreement.

“**3333 California Street Project Site**” means the Project Site defined in the Development Agreement.

“**3700 California Street Developer**” means California 3700 LLC, a Delaware limited liability company, and its successors and assigns.

“**3700 California Street Project**” means the “Project” defined in the Conditions of Approval.

“**3700 California Street Project Site**” means the Project Site defined in the Conditions of Approval.

“**3700 California Street Affordable Housing In-Lieu Fees**” means the affordable housing in-lieu fees payable in connection with the 3700 California Street Project.

IN WITNESS WHEREOF, the City, the EIFD, the 3333 California Street Developer, and the 3700 California Street Developer have each caused this Agreement to be duly executed on its behalf as of the Effective Date.

CITY:

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

By:

Name:

Title:

Date of Execution: _____, 20__

Approved as to form:

DAVID CHIU,
City Attorney

By:

Name:

Deputy City Attorney

Date of Execution: _____, 20__

SAN FRANCISCO ENHANCED
INFRASTRUCTURE FINANCING DISTRICT
No. 3 (3333/3700 California Street)

By: _____
Authorized Representative

Date of Execution: _____, 20__

DEVELOPER:

LAUREL HEIGHTS PARTNERS, LLC,
a Delaware limited liability company

By: _____

Name: _____

Its: _____

Date of Execution: _____, 20__

CALIFORNIA 3700 LLC,
A Delaware limited liability company

By: _____

Name: _____

Its: _____

Date of Execution: _____, 20__

EXHIBIT A

Description of EIFD Improvements to be Financed for the Project

Subject to any limitation in the IFP and this EIFD Acquisition and Financing Agreement, the EIFD shall be authorized to finance all or a portion of the Actual Costs of the purchase, site preparation, construction, expansion, improvement, seismic retrofit, or rehabilitation, of the public capital facilities or other projects (whether publicly- or privately-owned) of communitywide significance that are (i) authorized by the EIFD Law, (ii) for the 3333 California Street Project, required or permitted by the Development Agreement or the Approvals (as defined in the Development Agreement) and (iii) for the 3700 California Street Project, required or permitted by the plan documents or the Conditions of Approval (“**EIFD Improvements**”), including, but not limited to, the Actual Costs of those facilities and projects of communitywide significance described below and those costs described below.

The EIFD Improvements may be owned by a public agency (including, but not limited to, the City) or privately-owned as permitted by the EIFD Law.

EIFD Improvements may be physically located within or outside the boundaries of the EIFD; any EIFD Improvements that are located outside the boundaries of the EIFD must have a tangible connection to the work of the EIFD. Section C of the IFP (“Finding of Communitywide Significance”) includes a finding that any EIFD Improvements financed by the EIFD that are located outside the boundaries of the EIFD, including, but not limited to, any affordable housing, will have a tangible connection to the work of the EIFD.

Capitalized terms used herein but not defined herein have the meanings given them in the main body of this Agreement.

For the avoidance of doubt, whenever this Agreement refers to the EIFD providing financing for fees it means that the EIFD funds in a corresponding amount will be applied to pay the actual costs of eligible EIFD Improvements and the Developers will be provided with a corresponding credit against their obligation to pay such fees, as described herein. Section 6.4 provides more detail about the financing of fees.

The EIFD Improvements for the 3333 California Street Project and the 3700 California Street Project include, but are not limited to, the following:

1. Public improvements constructed or caused to be constructed by the 3333 California Street Developer and/or the 3700 California Street Developer, including, but not limited to, site work, streets, utilities, street trees, landscaping, and Streetscape Improvements (as defined in the Development Agreement) and costs associated with the demolition and/or rehabilitation of existing and historic buildings or components thereof.
2. Privately-owned community improvements constructed or caused to be constructed by the 3333 California Street Developer and/or the 3700 California Street Developer, including, but not limited to, utilities, parks and open space including any interim uses, pedestrian paths, alleys, storm drain facilities, stormwater capture and processing systems, utility facilities serving the EIFD Improvements, Streetscape Improvements (if privately owned),

and other “purple pipe” requirements, SFMTA employee restrooms, Muni bus shelters, community or recreation facilities, tenant improvements, and Publicly Accessible Private Improvements (as defined in the Development Agreement).

3. Affordable Housing. The acquisition, construction, or rehabilitation of the Walnut Affordable Housing Building, including, subject to the provisions of this Agreement (including, but not limited to Section 6.4), any Gap Fees and affordable housing in-lieu fees paid by the Projects to construct housing units in accordance with the IFP and the EIFD Law. The EIFD shall require, by recorded covenants or restrictions, that housing units built with financial assistance from the EIFD shall remain available at affordable housing costs to, and occupied by, persons and families of very low, low, or moderate income for the longest feasible time, but for not less than 55 years for rental units and 45 years for owner-occupied units and that any in-lieu fees paid for off-site housing shall have similar covenants and restrictions.
4. Parking. Parking (which may be publicly- or privately-owned) that directly serves other Facilities (including, but not limited to, affordable housing and childcare facilities). To the extent that only a portion of the parking directly serves other Facilities, then the costs of the parking that may be financed by the EIFD shall be calculated based on the square footage of the parking that directly serves other Facilities.
5. Childcare Facilities.
6. Rideshare improvements, including without limitation, improvements under the Transportation Demand Management Plan.
7. TDM Measures, as defined in the Transportation Demand Management Plan.
8. The demolition, abatement, stabilization and/or rehabilitation of existing structures necessary to enable development of the Projects. For the avoidance of doubt, because demolition, abatement, stabilization and/or rehabilitation of the existing improvements is a prerequisite to the construction and delivery of the Projects, including the creation of housing that funds the affordable housing (in-lieu or constructed) and the EIFD Improvements, all such activities and associated costs shall be considered as a cost of the EIFD Improvements.
9. Contributions for the construction of any required tenant improvements of the Walnut Child Care Parcel and associated parking, as defined in the Development Agreement, or any other community facilities located at or near the Project.
10. Subject to the provisions hereof (including, but not limited to, Section 6.4), the 3700 California Affordable Housing In-Lieu Fees used to construct housing units in accordance with the IFP and the EIFD Law. The EIFD shall require, by recorded covenants or restrictions, that housing units built with financial assistance from the EIFD shall remain available at affordable housing costs to, and occupied by, persons and families of very low, low, or moderate income for the longest feasible time, but for not less than 55 years for rental units and 45 years for owner-occupied units.
11. To the extent they are used to pay Actual Costs of Qualified EIFD Improvements, and subject to the provisions of this Agreement (including Section 6.4), (i) the Jobs Housing Linkage Fees defined in the Development Agreement, (ii) the AWSS Community Benefit

Fee defined in the Development Agreement, (iii) fees imposed by the City on the Projects after EIFD formation and (iv) fees imposed by the City on the Projects prior to EIFD formation that are modified by the City after EIFD formation.

EXHIBIT B

Description of EIFD Improvements, with Cost Estimates

[To be completed from time to time]

Form of Exhibit B Checklist to be included with all Exhibit B Supplements:

City and County of San Francisco –3333/3700 California Street Reimbursement Request

Supplemental Exhibit B Checklist

Supplemental No.

Proposed Facilit(ies)/Component(s):

Submittal Date:

Supporting Documentation:

Reasonably detailed descriptions of each Acquisition Facility, Privately-Owned Facility and Component included in the proposed Exhibit B Supplement

Estimates of the Actual Costs of each Acquisition Facility, Privately-Owned Facility and Component included in the proposed Exhibit B Supplement

Proposed Developer Allocation, if applicable

Executed contracts and related change orders, along with written summary of solicitation/award process

Acknowledged PCOW(s), if applicable

For the Walnut Affordable Housing Building:

Estimate of proposed sources and uses

Copies of any applications submitted for local, State or Federal grant or loan financing

Copy of (A) the Notice of Special Restrictions (Affordable Housing) and (B) if the Notice of Special Restrictions (Affordable Housing) does not evidence compliance with the EIFD Law, a covenant or restriction recorded in the real property records evidencing compliance with the EIFD Law

Plans

Copy of the Affordable Housing Conveyance Agreement

Estimate of projected operating cash flow at stabilization

EXHIBIT C

Form of Payment Request – Acquisition Facilities and Components

PAYMENT REQUEST NO. _____
MADE ON BEHALF OF: _____ (“Developer”)
DEVELOPMENT PHASE: _____

[Laurel Heights Partners, LLC or California 3700 LLC] (the “Developer”) hereby requests payment in the total amount of \$_____ for the Acquisition Facilities or Components as described in Exhibit B to that certain EIFD Acquisition and Financing Agreement (the “Acquisition Agreement”) among the City and County of San Francisco, the San Francisco Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street), Laurel Heights Partners, LLC, and California 3700 LLC, dated for reference purposes only as of _____, 20__ all as more fully described in Exhibit C-1. In connection with this Payment Request, the Developer hereby represents and warrants to the Director of Public Works and the City to the actual knowledge of the undersigned, as follows:

1. The undersigned is a duly authorized officer or representative of Developer, qualified to execute this Payment Request for payment on behalf of Developer.
2. The Acquisition Facilities or Components for which payment is requested were constructed in accordance with approved Plans [and for 3333 California Street Project: and the Development Agreement (including, but not limited to, compliance with the Workforce Agreement and payment of prevailing wage)], and an Inspection Request is pending for the Director of Public Works’ review. Payment shall not be made until such time that the Inspection Request has been approved as indicated in a notice from the Director of Public Works.
3. All costs of the Acquisition Facilities or Components for which payment is requested hereby are Actual Costs, and have not been inflated in any respect, as indicated in the attached Proof of Payment. The costs for which payment is requested have not been the subject of any prior payment request submitted to the City.
4. The costs for which payment is requested are not the subject of dispute with any contractor, subcontractor, materialman, or other person who supplied goods or labor, as evidenced by the attached conditional or unconditional lien releases.
5. Developer is in compliance with the terms and provisions of the Acquisition Agreement (including, but not limited to, payment of prevailing wage) and no portion of the amount being requested to be paid was previously paid.
6. The Actual Cost of each Acquisition Facility or Component (a detailed calculation of which is shown in Exhibit C-2 for each such Acquisition Facility or Component), has been calculated in conformance with the terms of the Acquisition Agreement.

7. To the actual knowledge of the undersigned, Developer is not delinquent in the payment of ad valorem real property taxes, possessory interest taxes or special taxes or special assessments levied on the regular County tax rolls against property then-owned by Developer in the Project Site.

8. The Payment Request must be paid solely from the following Identified Funding Sources:

Identified Funding Sources from which Actual Costs may be Paid (check one or more boxes)	Identified Funding Sources
EIFD Funding Sources	Proceeds of EIFD Bonds
	Allocated Tax Revenue
CFD Funding Sources (3333 California Street Project only)	Proceeds of CFD Bonds for Improvement Area No. ____
	CFD Remainder Taxes for Improvement Area No. ____
Total Actual Cost	

Note: the table above may be expanded as needed to reflect additional CFD improvement areas or additional EIFD Funding Sources.

9. Payments under this Payment Request, when approved, to be made as follows:

The amount of \$ _____ to Laurel Heights Partners, LLC by wire, according to the _____ following _____ instructions:

The amount of \$ _____ to California 3700 LLC by wire, according to the _____ following _____ instructions:

The following amount(s) to the following Third Party(ies) at the following address(es):

10. Other relevant information about Payment Request: _____

The Developer hereby declares that the above representations and warranties and all information provided in this Payment Request, including attachments and exhibits, are true and correct to the actual knowledge of the undersigned.

DEVELOPER:

[insert name of Developer]

By: _____
Authorized Representative
of Developer

Date: _____

Attachments:

- Notice of approval following inspection by Director of Public Works
- Unconditional lien releases from the following: _____

Conditional lien releases from the following: _____

- For Completed Acquisition Facility:** Copy of recorded conveyance of land
- For Completed Acquisition Facility:** Copy of Acquisition Facility Determination of Completion
- For Completed Acquisition Facility:** Original assignment of warranties and guaranties
- For Completed Acquisition Facility:** Original assignment of Plans
- For Completed Acquisition Facility:** As-built drawings of the Acquisition Facility
- Exhibit C-1
- Exhibit C-2

Payment Request approved on _____.

By: _____
Director of Public Works

EXHIBIT C-1

Acquisition Facilities and Components to Which Payment Request Applies

PAYMENT REQUEST NO. _____

MADE ON BEHALF OF: _____

1. The Acquisition Facilities and Components for which payment of Actual Costs is requested under this Payment Request are: _____

2. Contract information for each contractor, subcontractor, materialman, and other contract for which payment is requested under this Payment Request is shown below.

Name	Amt. of Contract	Amt. Requested	Amt. Previously Pd.
Total			

Attachments:

Approved Supplement(s)

Proof of Payment for each amount and included in the Actual Costs

EXHIBIT C-2

Calculation of Actual Cost

PAYMENT REQUEST NO. _____
MADE ON BEHALF OF: _____

1. Description (by reference to Exhibit B to the EIFD Acquisition and Financing Agreement) of the Acquisition Facility or Component: _____
2. Actual Cost (list here total of supporting invoices and/or other documentation supporting determination of Actual Cost, including any Developer Allocation): \$ _____
3. Subtractions:
 - A. Retention (see Section 4.4(d) of the EIFD Acquisition and Financing Agreement): (\$ _____)
 - B. Third Party Reimbursements: (\$ _____)
4. Total disbursement requested (Amount listed in 2, less amounts, if any, listed in 3): \$ _____

Attachments – Complete Acquisition Facilities Only:

[] Copies of Payment Requests for which release of retention is requested.

EXHIBIT D

Form of Payment Request – Privately-Owned Facilities and Components

PAYMENT REQUEST NO. _____

MADE ON BEHALF OF: _____ (“Developer”)

[Laurel Heights Partners, LLC or California 3700 LLC] (the “Developer”) hereby requests payment in the total amount of \$_____ for the Privately-Owned Facilities as described in Exhibit B to that certain EIFD Acquisition and Financing Agreement among the City and County of San Francisco, San Francisco Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street), Laurel Heights Partners, LLC, and California 3700 LLC, dated for reference purposes only as of _____, 20__ (the “Acquisition Agreement”), all as more fully described in Exhibit D-1. In connection with this Payment Request, the Developer hereby represents and warrants to the Director of Public Works and the City to the actual knowledge of the undersigned as follows:

1. The undersigned is a duly authorized officer or representative of Developer, qualified to execute this Payment Request for payment on behalf of Developer.
2. The Privately-Owned Facilities or Components for which payment is requested were constructed in accordance with the approved Plans [and for 3333 California Street Developer: and the Development Agreement (including, but not limited to, compliance with the Workforce Agreement and payment of prevailing wage)] and inspected pursuant to Section 5.1 of the Acquisition Agreement.
3. All costs of the Privately-Owned Facilities or Components for which payment is requested hereby are Actual Costs, and have not been inflated in any respect, as indicated in the attached Proof of Payment. The costs for which payment is requested have not been the subject of any prior payment request submitted to the City.
4. The costs for which payment is requested are not the subject of dispute with any contractor, subcontractor, materialman, or other person who supplied goods or labor, as evidenced by the attached conditional or unconditional lien releases.
5. Developer is in compliance with the terms and provisions of the Acquisition Agreement (including, but not limited to, payment of prevailing wage) and no portion of the amount being requested to be paid was previously paid.
6. The Actual Cost of each Privately-Owned Facility or Component (a detailed calculation of which is shown in Exhibit D-2 for each such Privately-Owned Facility or Component), has been calculated in conformance with the terms of the Acquisition Agreement.
7. To the actual knowledge of the undersigned, Developer is not delinquent in the payment of ad valorem real property taxes, possessory interest taxes or special taxes or

special assessments levied on the regular County tax rolls against property then-owned by Developer in the Project Site.

8. The Payment Request must be paid solely from the following Identified Funding Sources:

Identified Funding Sources from which Actual Costs may be Paid (check one or more boxes)	Identified Funding Sources
EIFD Funding Sources	Proceeds of EIFD Bonds
	Allocated Tax Revenue
CFD Funding Sources (3333 California Street Project only)	Proceeds of CFD Bonds for Improvement Area No. ____
	CFD Remainder Taxes for Improvement Area No. ____
Total Actual Cost	

Note: the table above may be expanded as needed to reflect additional CFD improvement areas or additional EIFD Funding Sources.

9. Payments under this Payment Request, when approved, to be made as follows:

The amount of \$ _____ to Laurel Heights Partners, LLC by wire, according to _____ the following instructions:

The amount of \$ _____ to California 3700 LLC by wire, according to the following instructions:

The following amount(s) to the following Third Party(ies) at the following address(es):

10. Other relevant information about Payment Request: _____

The Developer hereby declares that the above representations and warranties and all information provided in this Payment Request, including attachments and exhibits, are true and correct to the actual knowledge of the undersigned.

DEVELOPER:

[insert name of Developer]

By: _____
Authorized Representative
of Developer

Date: _____

Attachments:

- Notice of approval following inspection
- Unconditional lien releases from the following: _____

Conditional lien releases from the following: _____

For Completed Privately-Owned Facility: Temporary certificate of occupancy (where applicable)

For Completed Privately-Owned Public Open Spaces: Declaration of Public Open Space Covenants and Restrictions

For the Completed Walnut Affordable Housing Building: Notice of Special Restrictions (Affordable Housing) and covenant or restriction recorded in the real property records evidencing compliance with the EIFD Law

Exhibit D-1

Exhibit D-2

Payment Request Approved on _____.

By: _____
Director of Public Works

EXHIBIT D-1

Privately-Owned Facilities and Components to Which Payment Request Applies

PAYMENT REQUEST NO. _____

MADE ON BEHALF OF: _____

1. The Privately-Owned Facilities and Components for which payment of Actual Costs is requested under this Payment Request are: _____

* Components of the Walnut Affordable Housing Building cannot be financed separately. This restriction does not apply to the financing of the 3700 California Street Affordable Housing In-Lieu Fees.

2. Contract information for each contractor, subcontractor, materialman, and other contract for which payment is requested under this Payment Request is shown below.

Name	Amt. of Contract	Amt. Requested	Amt. Previously Pd.
Total			

Attachments:

Approved Supplement(s)

Proof of Payment for each amount and included in the Actual Costs

EXHIBIT D-2

Calculation of Actual Cost

PAYMENT REQUEST NO. _____
MADE ON BEHALF OF: _____

1. Description (by reference to Exhibit B to the EIFD Acquisition and Financing Agreement) of the Privately-Owned Facilities or Component: _____
2. Actual Cost (list here total of supporting invoices and/or other documentation supporting determination of Actual Cost, including any Developer Allocation): \$ _____
3. Subtractions:
 - A. Third Party Reimbursements: (\$ _____)
4. Total disbursement requested (Amount listed in 2, less amounts, if any, listed in 3): \$ _____

* Components of the Walnut Affordable Housing Building cannot be financed separately.

EXHIBIT E

Contracting Provisions for 3700 California Street Project

Contracting for Acquisition Facilities. This paragraph shall apply to the 3333 California Street Project to the extent not inconsistent with the Development Agreement, and the 3700 California Street Project. In connection with construction of the Acquisition Facilities, each Developer shall engage a contractor that is duly licensed in the State and qualified to complete the work (the “**Contractor**”). The Contractor shall contract directly with the Developer pursuant to an agreement to be entered into by the Developer and the Contractor, which shall: (i) be a guaranteed maximum price or lump sum contract; (ii) require contractor to maintain bonds and insurance for the benefit of the Developer and the City in accordance with the Subdivision Code; (iii) require the Contractor to obtain and maintain customary insurance, including workers compensation in statutory amounts, employer’s liability, general liability, and builders all-risk; and (iv) release the City from any and all claims relating to the construction, including to mechanics liens and stop notices.

Prevailing Wages and Working Conditions. This paragraph shall only apply to the 3700 California Street Project. Certain contracts for work at the Project Site may be public works contracts if paid for in whole or part out of public funds, as the terms “public work” and “paid for in whole or part out of public funds” are defined in and subject to exclusions and further conditions under California Labor Code sections 1720–1720.6. In connection with the public works on the Project, the 3700 California Street Developer shall comply with all California public works requirements as and to the extent required by State Law. In addition, the 3700 California Street Developer agrees that all workers performing labor in the construction of the Acquisition Facilities will be (i) paid not less than the Prevailing Rate of Wages as defined in Administrative Code section 6.22 and established under Administrative Code section 6.22(e), (ii) provided the same hours, working conditions, and benefits as in each case are provided for similar work performed in the City in Administrative Code section 6.22(f) and (iii) employ apprentices in accordance with Administrative Code Section 23.61. Any contractor or subcontractor constructing Acquisition Facilities must make certified payroll records and other records required under Administrative Code section 6.22(e)(6) available for inspection and examination by the City with respect to all workers performing covered labor. The City’s Office of Labor Standards Enforcement (“**OLSE**”) enforces applicable labor Laws on behalf of the City, and OLSE shall be the lead agency responsible for ensuring that prevailing wages are paid and other payroll requirements are met in connection with the work, all to the extent required hereunder.

The 3700 California Street Developer acknowledges that EIFD Funding Sources can only pay for the Actual Costs of Acquisition Facilities or Privately-Owned Facilities where prevailing wages were paid for such EIFD Improvements.

AB 900. This paragraph applies only to the 3333 California Street Project. The Parties acknowledge that the 3333 California Street Project has been certified as an Environmental Leadership Development Project pursuant to AB 900 and accordingly as of the date of the Development Agreement is required to pay prevailing wages to the extent required under section

21183(b) of the Public Resources Code. OLSE may enforce the prevailing wage requirements of section 21183(b) of the Public Resources Code to the extent required by State Law or pursuant to an agreement approved by the California Labor Commission in a form that is generally applicable to Environmental Leadership Development Projects located in the City.

EXHIBIT F

Potential Change of Work Form

Potential Change of Work ("PCOW")

The purpose of this form is to acknowledge a change in work for the intent of reimbursement of CFD costs.

Date: _____

PCOW No. _____

Description of Contract: _____

Vendor Name: _____

**Contract Number/Change
Order Number:** _____

Potential Change of Work description:

Total Estimated Amount of PCOW: _____**

Developer Review: _____
Developer Representative Date

City Acknowledgment:

	Acknowledged and is EIFD eligible
--	--------------------------------------

City comments:

Reviewed by: _____
City Representative Date

** Estimates only. The Actual Costs of the work is eligible for financing.

**SAN FRANCISCO ENHANCED INFRASTRUCTURE
FINANCING DISTRICT NO. 3 (3333/3700
CALIFORNIA STREET)**

Infrastructure Financing Plan

**Draft dated
January 8, 2026**

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Exhibit E -3333/3700 California Street Fiscal Impact Analysis

INTRODUCTION

1. ***EIFD and Project Areas.*** This Infrastructure Financing Plan (“IFP”) has been prepared at the direction of the Enhanced Infrastructure Financing District Public Financing Authority No. 1 (“PFA”), in its capacity as the governing body of the San Francisco Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street) (“EIFD”), under Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code (“EIFD Law”).

Initially, the EIFD will consist of four project areas. Upon further subdivision of certain properties within the Subject Property (as defined below), the EIFD is expected to consist of six project areas (each, a “Project Area” and, collectively, the “Project Areas”), as follows:

Table 1. Project Areas at Formation.

Project Areas, at Formation of EIFD	Project Areas After Subdivision	APNs at Formation ¹	APN Square Feet	FY 2025/26 Assessed Value
Project Area A	Project Area 1 Project Area 2 Project Area 3	1032-003	447,360	\$106,486,964 ¹
Project Area 4	No change	1015-052 1015-053	32,619	\$4,421,700 \$5,014,728
Project Area 5	No change	1016-001 1016-002 1016-003 1016-004 1016-005 1016-006 1016-007 1016-008 1016-009	109,390	\$6,741,792 \$10,539,252 \$7,085,124 \$1,768,680 \$884,340 \$884,340 \$442,170 \$442,170 \$884,340
Project Area 6	No change	1017-027 1017-028	68,949	\$1,206,864 \$8,817,390
EIFD Total			658,318	\$155,619,854

¹The property's taxable value will reflect the property's gross value of \$106,486,964, without regard to any exemptions related to a recently-terminated lease with the University of California, San Francisco. At formation of the EIFD, the assessed value of all Project Areas will be \$155,619,854.

2. ***Purpose of the EIFD and the Project Areas.*** The EIFD’s sole purpose is to provide financing for the public capital facilities and other projects (whether publicly- or privately-owned) of communitywide significance, including affordable housing and other Facilities (as defined on Exhibit C hereto) in connection with the development of two projects described in Section B below (collectively, the “Projects”): (a) the 3333 California Street Project and (b) the 3700 California Street Project.

The purpose of the Project Areas is to establish for each Project Area a separate 45-year time period for the allocation of certain property tax revenues to the EIFD. See Section D.7(b) below.

3. ***Requirements of the IFP.*** As required by Sections 53398.59 through 53398.74 of the EIFD Law, this IFP includes the following information:

- (a) A legal description and map of the EIFD and each current Project Area which includes all of the territory designated by the Board of Supervisors of the City and County of San Francisco (“City”) in its Resolution No. 533-24, adopted on November 5, 2024, and approved by the Mayor on November 14, 2024 (“Resolution of Intention”). See Section A below.
- (b) A description of the public facilities and other forms of development or financial assistance that are proposed in the area of the EIFD, including those to be provided by the private sector, those to be provided by governmental entities without assistance under the EIFD Law, those public improvements and other facilities (whether publicly- or privately-owned) to be financed with assistance from the EIFD, and those to be provided jointly. The description includes the proposed location, timing, and costs of the development and financial assistance. See Section B below.
- (c) A finding that the development and financial assistance are of communitywide significance and provide significant benefits to an area larger than the area of the EIFD. See Section C below.
- (d) A financing section, which contains all of the following information (see Section D below):
 - (i) A specification of the maximum portion of the incremental tax revenue of the City proposed to be committed to the EIFD for each year during which the EIFD will receive incremental tax revenue.
 - (ii) A projection of the amount of tax revenues expected to be received by the EIFD in each year during which the EIFD will receive tax revenues.
 - (iii) A plan for financing the public facilities and other projects (whether publicly- or privately-owned) to be assisted by the EIFD, including a detailed description of any intention to incur debt.
 - (iv) A limit on the total number of dollars of taxes that may be allocated to the EIFD pursuant to this IFP.
 - (v) A date on which the EIFD will cease to be in effect and all tax allocations to the EIFD will end and a date on which the EIFD’s authority to repay indebtedness with incremental tax revenues received under the EIFD Law will end. Because the EIFD will include Project Areas, there is a separate and unique time limit for each Project Area that does not exceed 45 years from the end of the first fiscal year in which the applicable Project Area has actually received one hundred thousand dollars (\$100,000) in annual Allocated Tax Revenue (as defined in this IFP) under the EIFD Law.
 - (vi) An analysis of the costs to the City of providing facilities and services to the area of the EIFD while the area is being developed and after the area is

developed. The plan includes an analysis of the tax, fee, charge, and other revenues expected to be received by the City as a result of expected development in the area of the EIFD.

- (vii) An analysis of the projected fiscal impact of the EIFD and the associated development upon the City.
- (viii) The goals the EIFD proposes to achieve for each project financed as described in this IFP.

4. ***Not a Transit Priority Project.*** Because the Projects do not qualify for the Transit Priority Project Program pursuant to California Government Code Section 65470, the EIFD Law does not require this IFP to include a plan for financing any potential costs that may be incurred by reimbursing the developer of a project that is located entirely within the boundaries of the EIFD and qualifies for the Transit Priority Project Program.

5. ***No Existing Dwelling Units.*** Because no dwelling units exist within the territory of the EIFD as of the date of adoption of this IFP by the PFA, the EIFD Law does not require this IFP to include a plan for the replacement of dwelling units or the relocation of persons or families.

6. ***Funding for the EIFD.*** The EIFD will be funded solely from a portion of the property tax revenues described herein that would otherwise be distributed to the City, including amounts that would be deposited in the General Fund and amounts that would be deposited in Park, Recreation, and Open Space Fund, the Children's Fund, and the Library Preservation Fund. No other taxing agency's revenues will be affected by or available to the EIFD. Consequently, this IFP will discuss the tax increment of the City only.

7. ***Base Year Assessed Values.*** The Base Year (as defined herein) for the EIFD is Fiscal Year 2025-26.

A. LEGAL DESCRIPTION AND MAP

1. *General Description of Property in the EIFD.*

a. **3333 California Street Project.** Laurel Heights Partners LLC, a Delaware limited liability company ("3333 California Street Developer"), owns and operates an approximately 10.25-acre site in the City bounded by California Street to the north, Presidio Avenue to the east, Masonic Avenue to the southeast, Euclid Avenue to the south, and Laurel Street and Mayfair Drive to the west, currently comprised of an approximately 455,000 gross square foot office building, an approximately 14,000 gross square foot annex building, surface and subsurface parking areas, and landscaping or landscaped open space ("3333 California Street Project Site").

The 3333 California Street Developer proposes a mixed-use development on the 3333 California Street Project Site that is currently contemplated to include residential, non-residential, parking, open space, child care, and related uses ("3333 California Street Project"), including (i)

approximately 744 Residential Units,¹ including approximately 124 on-site affordable senior Residential Units, (ii) approximately 38,094 square feet of retail/restaurant/commercial use in buildings along California Street, (iii) an approximately 13,933 gross square foot space for child care use, and (iv) approximately 52 percent of the overall lot area (approximately 236,000 square feet - excluding green roofs) as open area, with portions to be developed with a combination of public open space, common open space (some of which would be open to the public), and private open space for residents. The proposed project may include approximately 2.87 acres of publicly accessible landscaped open space with multi-purpose plazas, lawns, pathways, and streetscape improvements.

b. 3700 California Street Project. CALIFORNIA 3700, LLC, a Delaware limited liability company ("3700 California Street Developer"; together with the 3333 California Street Developer, the "Developers"), owns 14 parcels on a 4.9-acre site located in the City on California Street between Maple Street and Cherry Street ("3700 California Street Project Site").

The 3700 California Street Developer proposed, and the City approved, a modification to existing entitlements that allows a mixed-use development ("3700 California Street Project") on the 3700 California Street Project Site that is currently contemplated to include demolition of five of the six existing hospital buildings on the 3700 California Street Project Site, adaptive re-use and expansion of the Marshal Hale hospital building at 3698 California Street to residential and institutional use; retention of the existing nine-unit residential building at 401 Cherry Street (this building is not included in the boundaries of the EIFD and shall be referred to herein as the "Non-EIFD Apartments"); construction of approximately 19 new buildings that may contain approximately 492 Residential Units, 15 single-family homes and 4 multi-family residential buildings, not including the 9 units in the existing 401 Cherry building that are currently expected to be retained, and approximately 74 institutional units for assisted living and memory care; and construction of approximately 45,500 square feet of residential and 8,400 square feet of institutional shared onsite amenity space and approximately 70,700 square feet of private and common open space areas for residents.

The 3333 California Street Project Site and the 3700 California Street Project Site (other than the Non-EIFD Apartments) are referred to herein collectively as the "Subject Property."

The boundaries of the EIFD are coterminous with the boundaries of the Subject Property.

2. ***No Overlap with Former Redevelopment Project Area(s)***. The boundaries of the proposed EIFD do not include any portion of a former redevelopment project area that was created pursuant to Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code.

3. ***Legal Description and Map***. Please refer to Exhibit A for a legal description of the property in the Project Areas and Exhibit B for a map of the EIFD and the Project Areas.

4. ***Future Amendments of Project Area A Boundaries - New Project Areas***. The PFA

¹ As used in this IFP, the term "Residential Unit" shall mean a dwelling for sale or for rent, including but not limited to apartments, townhomes, flats, condominiums, apartments, or loft units and individual units within a senior or assisted living facility.

has determined that (1) at formation there are four identified Project Areas, (2) following the formation of the EIFD and adoption of this IFP, the 3333 California Street Developer intends from time to time to subdivide the legal parcels constituting Project Area A, and (3) following one or more subdivisions of the legal parcels constituting Project Area A, Project Areas 1, 2, and 3 will be created and ultimately replace Project Area A.

The creation of each new Project Area and the corresponding replacement of a part of Project Area A shall occur automatically upon (1) subdivision of the legal parcels constituting Project Area A that creates the new Project Area and (2) the assignment of tax rate areas to such new Project Area by the California State Board of Equalization, without any public hearing or vote of the property owners or residents in the EIFD, and shall not require approval by the PFA or the Board of Supervisors of the City.

Each time that Project Areas are created through the subdivision of Project Area A as described in the previous paragraph, the Executive Director of the EIFD will replace the then-existing maps and legal descriptions in this IFP with updated maps and legal descriptions for the Project Areas created at that time, as appropriate, add a notation in the Index of Adoption and Amendments, then deliver the updated IFP to the Secretary of the PFA. To establish a public record of the creation and ultimate replacement of Project Areas, (1) the PFA shall acknowledge receipt of the updated IFP at its next public meeting following the date of the creation of the new Project Area, (2) the Executive Director shall cause the updated IFP that reflects the new Project Areas to be filed with the San Francisco Assessor, (3) the Executive Director of the PFA shall post the updated IFP on the EIFD’s website, and (4) the Executive Director shall send the updated IFP to the Clerk of the Board of Supervisors with a cover letter that explains the changes that were made and asks the Clerk to file the updated IFP in the legislative file for the Board of Supervisors resolution that approved the original IFP.

The following Table 2 summarizes the 6 Project Areas following subdivision of Project Area A:

Table 2. Project Areas After Subdivision

Project Area¹	Square Feet	FY 2025/26 Assessed Value²	Est. Date of Project Area Formation³
Project Area 1 (41.44% of A)	185,386	\$44,128,198	FY 25/26
Project Area 2 (39.70% of A)	177,602	\$42,275,325	FY 25/26
Project Area 3 (18.86% of A)	84,372	\$20,083,441	FY 25/26
Project Area 4	32,619	\$9,436,428	FY 25/26
Project Area 5	109,390	\$29,672,208	FY 25/26
Project Area 6	68,949	\$10,024,254	FY 25/26
EIFD Total	658,318	\$155,619,854	

¹ The percentage of land area allocated to each proposed Project Area of Project Area A are estimates only; the actual percentage will be determined after the Project Area boundaries are determined.

² The FY 2025/26 assessed values of future Project Areas 1, 2, and 3 will not change even if the final square footage of those Project Areas is different than estimated in Table 2.

³ Actual Project Area formation dates for each of Project Areas 1, 2 and 3 will be subject to the timing of (1) subdivision of the legal parcels constituting Project Area A that creates the new Project Area and (2) the assignment of tax rate areas to such new Project Area by the California State Board of Equalization.

5. *Future Amendments of Project Area Boundaries - Tax Rate Areas.* In addition, the PFA is aware that it may need to make other changes to the boundaries of one or more Project Areas in the future in order to conform the Project Areas described in this IFP to the final development parcels established by the recordation of one or more final subdivision maps for the Subject Property so that the California State Board of Equalization can assign tax rate areas to all of the development parcels comprising the Project Areas. Accordingly, the PFA reserves the right, and nothing in this IFP limits the ability of the PFA, to amend the boundaries of one or more Project Areas by resolution, following the provision of a 30-day mailed notice describing the amendment to the City (the only affected taxing entity under this EIFD) and all property owners and residents within the EIFD, and without any public hearing or vote of the property owners or residents in the EIFD, to the extent necessary to provide for the assignment of tax rate areas, as long as (i) an independent fiscal consultant determines that the amendment will not impair the EIFD's ability to pay debt service on its Bonds (as defined in the following paragraph) then outstanding or, in and of itself, reduce the debt service coverage on any Bonds then outstanding below the amount required to issue parity debt and (ii) the amendment does not remove land from the EIFD. For the avoidance of doubt, the authority to change the boundaries of the Project Areas, pursuant to this IFP applies to (i) the initial Project Areas and (ii) each new Project Area established pursuant to Section A.4 above or through annexation of property to the EIFD in the future, if any, in each case as amended or expanded as described in this IFP or permitted by the EIFD Law. Upon completion of an amendment of the boundaries of one or more Project Areas as described in this paragraph and, if necessary, the assignment of tax rate areas to such amended Project Areas by the California State Board of Equalization, the PFA will replace the then-existing maps and legal descriptions in this IFP with updated maps and legal descriptions, as appropriate, and a notation will be added to the Index of Adoption and Amendments. To establish a public record of the amendment of the boundaries of the Project Areas, (1) the Executive Director shall cause the amended IFP to be filed with the San Francisco Assessor, (2) the Executive Director shall post the amended IFP on the EIFD's website, and (3) the Executive Director shall send the amended IFP to the Clerk of the Board of Supervisors with a cover letter that explains the changes that were made and asks the Clerk to file the amended IFP in the legislative file for the Board of Supervisors resolution that approved the original IFP.

For the avoidance of doubt, as long as they do not alter the Project Area boundaries, (i) the filing of any condominium map and the creation of condominium lots therefrom and/or (ii) any vertical or horizontal subdivision of legal parcels within the Project Area (including, without limitation, the creation or modification of airspace parcels) shall not be considered an amendment of the Project Area boundaries and shall not require any public hearing or vote of the property owners or residents in the EIFD, and shall not require approval by the PFA.

For purposes of this IFP, "Bonds" means (A) tax increment bonds that are payable from Allocated Tax Revenue and (B) if a community facilities district ("CFD") is formed by the City to provide financing for the Facilities, any special tax bonds that are issued by or for the CFD and are payable from Allocated Tax Revenue.

The PFA does not expect any of the amendments of the Project Area boundaries described in the previous paragraph to impact the base year value for any such Project Area.

B. DESCRIPTION OF FACILITIES AND DEVELOPMENT OR FINANCIAL ASSISTANCE

This section of the IFP describes the proposed land uses in the EIFD, reflects assumptions and projections, and is intended for illustrative purposes only. Actual results may vary, and the descriptions do not constitute limitations on the use of the Allocated Tax Revenue (as described in this IFP).

1. *Anticipated Future Private Development in the EIFD.*

Description of the Projects. The proposed Projects are summarized in Table 3 below.

Table 3. Anticipated Development Program – San Francisco EIFD No. 3 (3333/3700 California Street)¹

	Residential Units	Retail and Childcare Building Area (SF)	Anticipated Construction Period (Calendar Years) ⁽²⁾
3333 California Street			
Residential Units			
Market Rate Residential Units	619		2026-2031
Affordable Senior Housing Units	<u>125</u>		2027-2030
Subtotal, Residential Units	744		
Non Residential			
Retail Space		38,094	2027-2030
Childcare Center		<u>13,933</u>	2027-2030
		52,027	
3700 California Street		-	
Residential Units			
Market Rate Residential Units	298	-	2026-2029
Market Rate Senior Housing and/or Institutional Units	<u>232</u>	-	2026-2028
Subtotal, Residential Units	530		
		-	-
Combined Total Residential Units	1,274		2026-2031

¹ All development descriptions, numbers, and dates in this Table 3 are estimates and are subject to change as development progresses.

² The construction schedule has been provided by the Developers.

Table 4 below summarizes the proposed Projects by Project Area (after subdivision of Project Area A).

Table 4. Anticipated Development Program by Project Area - San Francisco EIFD No. 3 (after Subdivision of Project Area A)¹

Project Area	Commercial Space		Market Rate Residential Units	Market Rate Senior Residential Units	Affordable Senior Residential Units	Public Facilities	Anticipated Construction Period
		Sq. ft.				Sq. ft.	Calendar Years
3333 California Street Project Areas							
#1			269	-	-	-	2026-2029
#2			212	-	125		2027-2030
#3	Retail Space Childcare Center	38,094 13,933	138	-	-	-	2027-2030
Subtotal, 3333 California. Street		52,027	619	-	125	-	
3700 California Street Project Areas							
#4			49	-	-		2027-2029
#5			249	-	-	-	2026-2028
#6			0	232	-	-	2026-2028
Subtotal, 3700 California Street			298	232	-	-	

¹ Construction schedule has been provided by the Developers; all development descriptions, numbers, and dates in this Table 4 are estimates and are subject to change as development progresses.

THE TYPE OF DEVELOPMENT AND THE NUMBER OF RESIDENTIAL UNITS AND SQUARE FOOTAGE OF RETAIL/COMMERCIAL SPACE SET FORTH IN TABLES 3 AND 4 ARE BASED ON CURRENT PROJECTIONS PROVIDED BY THE DEVELOPERS; ACTUAL DEVELOPMENT MAY, AND LIKELY WILL, VARY. NOTHING IN THIS IFP SHALL LIMIT THE ABILITY OF THE DEVELOPERS TO REVISE THE SCOPE AND TIMING OR COMPOSITION OF THE USES WITHIN THE PROJECTS, AND ANY CHANGE IN THE NATURE OF THE PROJECTS WILL NOT REQUIRE AN AMENDMENT OF THIS IFP.

Development Agreement and Financing Plan. The City, acting by and through its Planning Department, and the 3333 California Street Developer entered into a Development Agreement dated as of September 11, 2020, and recorded in the Official Records on September 11, 2020, as Document No. 2020015925 (“Original Development Agreement”), and a Memorandum of Minor Modification of Development Agreement (Amendment No. 1) dated as of June 5, 2024, and recorded in the Official Records on June 26, 2024, as Document No. 2024048267 (“Amendment No. 1”), and a proposed Second Amendment to Development Agreement, dated as of April 30, 2025, and recorded in the Official Records on May 7, 2025 as Document No. 2025034503 (“Amendment No. 2” and together with Amendment No. 1 and the Original Development Agreement, the “3333 California Street Development Agreement”).

The 3333 California Street Development Agreement includes a Financing Plan as Exhibit O (“Development Agreement Financing Plan”). The Development Agreement Financing Plan describes certain terms of this IFP and the priorities for use of the Allocated Tax Revenue (as set forth in this IFP), and provides for execution of the EIFD Acquisition and Financing Agreement described below.

Certain terms used in this IFP but not defined herein have the meanings given to them in the Development Agreement Financing Plan. If a term that is defined in the Development Agreement Financing Plan is used in this IFP with respect to the 3700 California Street Project, it shall have the meaning given such term in the Development Agreement Financing Plan even though the 3700 California Street Project is not subject to the Development Agreement.

The City and the 3700 California Street Developer have not executed a development agreement related to the 3700 California Street Project.

EIFD Acquisition and Financing Agreement. Upon formation of the EIFD, the City, the EIFD, and the Developers will enter into an Acquisition and Financing Agreement related to the EIFD (“EIFD Acquisition and Financing Agreement”). The EIFD Acquisition and Financing Agreement will describe (1) the conditions under which the City will acquire Acquisition Facilities (as defined in the EIFD Acquisition and Financing Agreement) or reimburse the Actual Costs (as defined in the EIFD Acquisition and Financing Agreement) of the Developers for construction of the Privately-Owned Facilities (as defined in the EIFD Acquisition and Financing Agreement), (2) the circumstances in which the EIFD may finance Privately-Owned Facilities at the request of the Developers, including issuing Bonds to finance construction of Privately-Owned Facilities constructed by parties other than the Developers, (3) the EIFD’s use of Bond proceeds, Allocated Tax Revenue, and Conditional Tax Revenue to finance the City’s payment obligations and other authorized purposes, and (4) the items described in Section 3.1(g) of the Development Agreement Financing Plan. The Acquisition Facilities and Privately-Owned Facilities are the Facilities referenced in this IFP and described in Exhibit C hereto.

Total Cost of the 3333 California Street Project and Related Improvements. The 3333 California Street Developer estimates that the total cost of the 3333 California Street Project will be approximately \$1,000,000,000 (2025 dollars), of which nearly \$747,000,000 (2025

dollars) is estimated to be attributable to development of the private elements of the project not being financed by the EIFD (“3333 California Street Privately-Financed Elements”). The Privately-Financed Elements will be paid, or caused to be paid, by the 3333 California Street Developer without assistance from the EIFD. The following elements of the 3333 California Street Project and the associated work to prepare the 3333 California Street Project for these portions of the work constitute Facilities that are eligible for financing by the EIFD:

- The demolition, abatement, stabilization and/or rehabilitation of existing structures necessary to enable development of the 3333 California Street Project, which is expected to cost approximately \$30 million (2025 dollars).
- Acquisition Facilities (including, without limitation, streets, streetscapes, sidewalks, open space, and utilities), which are expected to cost approximately \$20 million (2025 dollars)
- 3333 California Street Privately-Owned Facilities, including without limitation:
 - Privately-owned parks/open space and streetscapes that will be open to the public, which are expected to cost approximately \$98 million (2025 dollars)
 - Privately-owned affordable housing units, which are expected to cost the 3333 California Street Project approximately \$105 million (2025 dollars)

Total Cost of the 3700 California Street Project and Related Improvements. The 3700 California Street Developer estimates that the total cost of the 3700 California Street Project will be approximately \$800,000,000 (2025 dollars), of which nearly \$702,000,000 (2025 dollars) is currently estimated to be attributable to development of the private elements of the project not being financed by the EIFD (“3700 California Street Privately-Financed Elements”). The 3700 California Street Privately-Financed Elements will be paid, or caused to be paid, by the 3700 California Street Developer without assistance from the EIFD. The following elements of the 3700 California Street Project and the associated work to prepare the 3700 California Street Project site for these portions of the work constitute Facilities that are eligible for financing by the EIFD:

- The demolition, abatement, stabilization and/or rehabilitation of existing structures necessary to enable development of the 3700 California Street Project, which is expected to cost approximately \$36 million (2025 dollars).
- Acquisition Facilities (including, without limitation, streets, streetscapes, sidewalks and utilities), which are expected to cost approximately \$31 million (2025 dollars)
- 3700 California Street Privately-Owned Facilities, including, without limitation:
 - Privately-owned affordable housing units, all of which will be funded and located outside the boundaries of the EIFD, which is expected to cost the 3700 California Street Project approximately \$31 million (2025 dollars)

2. *Facilities and Other Forms of Development or Financial Assistance to be Provided by the Private Sector.*

The Facilities that will be constructed, or caused to be constructed, by the Developers are described in Exhibit C. Under the EIFD Law, the facilities financed by the EIFD must be in addition to those provided in the territory of the EIFD before the EIFD was created. The additional facilities may not supplant facilities already available within that territory when the EIFD was created but may supplement, rehabilitate, upgrade, or make more sustainable those facilities.

All affordable housing financed by the EIFD, whether on-site or off-site, will be restricted by recorded covenants or restrictions to occupancy at affordable housing costs by persons of very low, low, and moderate income, as defined in Sections 50105 and 50093 of the California Health and Safety Code, for rent or purchase, for the longest feasible time, but for not less than 55 years for rental units and 45 years for owner-occupied units.

All of the Facilities are authorized to be financed by the EIFD, but some Facilities may not be financed by the EIFD. See "*Facilities and Other Projects Costs to be Financed by the EIFD*" below.

To the extent they are not financed by the EIFD (or through other forms of public finance, including the CFD that may be formed by the City to provide financing for the Facilities), the costs of the Facilities will be borne by the Developers, except as set forth immediately below.

3. *Public Facilities and Other Forms of Development or Financial Assistance to be Provided by Governmental Entities without Assistance from the EIFD.* Affordable housing to be constructed as a condition of development of the Projects is currently expected to be financed using multiple sources of public and private debt and equity, which, in addition to assistance from the EIFD, may include (but are not limited to) federal tax credits, qualified private activity bonds, voter-approved general obligation bonds, affordable housing and jobs/housing impact fees, and other local, state and federal affordable housing resources. The EIFD may provide financing for the Actual Costs of affordable housing constructed, or caused to be constructed, by the Developers, either directly, indirectly, on-site or off-site or through payment of in-lieu fees in accordance with, and subject to the limitations set forth in, the EIFD Acquisition and Financing Agreement. The affordable housing that is financed by the EIFD may be built within or outside the EIFD boundaries. For the avoidance of doubt, whenever the IFP refers to the EIFD financing fees it means that the EIFD funds will be applied to pay the actual costs of the eligible Facilities and the Developers will be provided with a corresponding credit against their obligation to pay such fees. The EIFD Acquisition and Financing Agreement will establish a process by which the Developers may deposit funds with the City in satisfaction of an obligation to pay a fee, but the Developers' funds will be deemed a Deposit (as defined in the EIFD Acquisition and Financing Agreement) that may be returned to the Developers when EIFD funds are available.

4. *Facilities and Other Projects Costs to be Financed by the EIFD.* The EIFD is projected to use Allocated Tax Revenue (as defined in Section D below) to finance on a pay-go basis and issue Bonds or other debt that is payable from Allocated Tax Revenue to finance approximately \$285 million (estimated in 2025 dollars) in Actual Costs of Facilities, including public capital facilities (estimated to be approximately \$51 million in 2025 dollars), privately-owned parks, open spaces, streets, and streetscapes (estimated to be approximately \$98 million

in 2025 dollars), and privately-owned affordable housing costs (estimated to be approximately \$136 million in 2025 dollars).

The Facilities will be partially initially funded by capital invested by the Developers, which may be repaid by public financing sources such as Allocated Tax Revenue and CFD special taxes and/or Bond proceeds supported by Allocated Tax Revenue and/or CFD special taxes.

In accordance with City policy, the EIFD may only finance infrastructure projects that have an identified source of funding for ongoing maintenance and operations. City policy provides that this commitment could be in the form of a General Fund appropriation or through public-private financing mechanisms, such as a property owner association or a community benefit district agreeing to maintain a public park, or through formation of a supplemental property tax assessment district, like a CFD. In satisfaction of this policy, the 3333 California Street Developer agreed in the Development Agreement Financing Plan to establish a CFD to authorize Contingent Services Special Taxes that may be levied only upon satisfaction of certain conditions to finance the costs of the maintenance, repair, and replacement of the privately-maintained portions of the Publicly Accessible Private Improvements and Streetscape Improvements (both as defined in the 3333 California Development Agreement) located within the 3333 California Street Project from the Contingent Services Special Taxes. Before it provides financing for Facilities that constitute infrastructure projects that are subject to the policy, the EIFD will confirm that the 3333 California Street Developer has established the CFD that authorizes the Contingent Services Special Taxes on the 3333 California Street Project pursuant to the 3333 California Development Agreement. Capitalized terms used in this paragraph have the meanings given them in the 3333 California Development Agreement.

Table 5. Estimated Costs of Facilities to be Financed by EIFD

Facilities	Estimated Improvement Costs (\$millions)	Estimated Timing (Calendar Years)	Location
Demolition, abatement, stabilization, rehabilitation	\$30,000,000	2026-2031	3333 California Street Project
Parks/Open Space	\$12,000,000	2026 - 2031	3333 California Street Project
Streets	\$20,000,000	2026 - 2031	3333 California Street Project
Site Work	\$60,000,000	2026 - 2031	3333 California Street Project
Utilities	\$26,000,000	2026 - 2031	3333 California Street Project
Affordable Housing	\$105,000,000	2027 - 2030	3333 California Street Project
Demolition, abatement, stabilization, rehabilitation	\$36,000,000	2026-2029	3700 California Street Project
Streets, Sidewalks, & Utilities	\$31,000,000	2026 - 2029	3700 California Street Project
Affordable Housing (off-site)	\$31,000,000	2027 - 2030	3700 California Street Project
Total	\$351,000,000		

The obligation to provide financing for the Facilities to the extent that Allocated Tax Revenue is available as set forth in the EIFD Acquisition and Financing Agreement constitutes debt of the EIFD under the EIFD Law.

See Section D.7(c) below for a summary of other capital sources projected to be available to finance the Facilities.

5. *Facilities and Other Forms of Development or Financial Assistance to be Jointly Provided.* There are no public facilities that will be jointly provided by the private and governmental entities.

6. *Administrative Costs to be Financed by the EIFD.* The EIFD may finance any other expenses incidental to the formation, administration (including preparation of annual reports and audits required by the EIFD Law and communicating with landowners and residents) and implementation of the EIFD and to the construction, completion, inspection, and acquisition of the Facilities, including, but not limited to, the costs of creation and administration of the EIFD; costs of issuance of Bonds (including costs incurred by counsel to the Developers) or other debt of the EIFD or of any other public agency (including a community facilities district) that finances authorized Facilities, and payment of debt service thereon; costs incurred by the City or the EIFD in connection with the division of taxes pursuant to Government Code section 53398.75; and legal costs. See Section D below.

The City will pay to the EIFD, be deemed to have paid to the EIFD or advance to third parties on behalf of the EIFD such amounts as the City deems necessary for the EIFD's administrative expenses and overhead. The funds paid by the City to the EIFD, deemed to have been paid to the EIFD or advanced to third parties (including the Developers) on behalf of the EIFD for administrative expenses and overhead shall constitute an advance and shall be repaid by the EIFD.

C. FINDING OF COMMUNITYWIDE SIGNIFICANCE

All of the Facilities (including the Acquisition Facilities and the Privately-Owned Facilities) to be financed by the EIFD have communitywide significance and provide significant benefits to the EIFD and the surrounding community. Those Facilities that are not physically located within the boundaries of the EIFD have a tangible connection to the work of the EIFD, including, but not limited to, any affordable housing financed by the EIFD that is located outside the EIFD boundaries.

The formation of the EIFD will enable the development of the Projects. The City has determined that the Projects will provide clear benefits to the public and neighboring communities, including: (i) affordable housing in excess of the number of units required pursuant to existing City ordinances, regulations, and policies; (ii) workforce obligations, including significant training, employment, and economic development opportunities, related to the development and operation of the combined Projects; (iii) construction and maintenance of publicly accessible open space, totaling approximately 2.87 acres, including a series of contiguous, integrated parks, plazas, and green/landscaped spaces; (iv) delivery of child care spaces; and (v) measures to prioritize and promote travel by walking, biking, and transit for new residents, tenants, employees, and visitors, and Streetscape Improvements, all as set forth in greater detail in the 3333 California Street Development Agreement.

D. FINANCING

1. **Introduction.** Section 53398.75(a) of the EIFD Law authorizes this IFP to include a provision that taxes, if any, levied upon taxable property in the area included within the EIFD each year by or for the benefit of the State of California, or any affected taxing entity, after the effective date of the resolution adopted pursuant to the EIFD Law to create the EIFD, shall be divided, subject to the provisions of Section 53993, as follows:

(1) That portion of the taxes that would be produced by the rate upon which the tax is levied each year by or for each of the affected taxing entities upon the total sum of the assessed value of the taxable property in the EIFD as shown upon the assessment roll used in connection with the taxation of the property by the affected taxing entity, last equalized prior to the effective date of the resolution adopted pursuant to Section 53398.69 to create the EIFD, shall be allocated to, and when collected shall be paid to, the respective affected taxing entities as taxes by or for the affected taxing entities on all other property are paid.

(2) That portion of the levied taxes each year specified in the adopted infrastructure financing plan for the city or county and each affected taxing entity that has agreed to participate pursuant to Section 53398.68 in excess of the amount specified in paragraph

(1) shall be allocated to, and when collected shall be paid into a special fund of, the EIFD for all lawful purposes of the EIFD. Unless and until the total assessed valuation of the taxable property in the EIFD exceeds the total assessed value of the taxable property in the EIFD as shown by the last equalized assessment roll referred to in paragraph (1), all of the taxes levied and collected upon the taxable property in the EIFD shall be paid to the respective affected taxing entities. When the EIFD ceases to exist pursuant to the adopted infrastructure financing plan, all moneys thereafter received from taxes upon the taxable property in the district shall be paid to the respective affected taxing entities as taxes on all other property are paid.

Section 53398.63(d)(5)(B) of the EIFD Law provides for creation of project areas, and provides for tax allocations to an enhanced infrastructure financing district from each project area to continue for a period not later than 45 years from the date the project area has actually received an allocation of at least one hundred thousand dollars (\$100,000) in annual incremental tax revenues. Section 53398.63(d)(5)(B) also requires an infrastructure financing plan, where a district is divided into project areas, to include a date on which the infrastructure financing plan will cease to be in effect and all tax allocations to the district will end and a date on which the district's authority to repay indebtedness with incremental tax revenues received under the EIFD Law will end, not to exceed 45 years from the date the district or the applicable project area has actually received one hundred thousand dollars (\$100,000) in annual incremental tax revenues.

Pursuant to Section 53398.63(d)(5)(B), the City intends to establish a separate tax rate area for each Project Area and to calculate tax increment on a Project Area-by-Project Area basis. Each Project Area will have a separate and unique time limit as set forth in Section D.6 below.

In compliance with Sections 53398.75(a) and 53398.63(d)(5)(B) of the EIFD Law, this IFP provides as follows:

(1) That portion of the taxes that would be produced by the levy of the 1% ad valorem property tax rate upon the total sum of the assessed value of the taxable property in the EIFD as shown upon the last equalized assessment roll prior to the effective date of the resolution adopted by the PFA to create the EIFD (i.e., the assessment roll for tax year 2025-26), shall be allocated to, and when collected shall be paid to, the respective affected taxing entities as taxes by or for the affected taxing entities on all other property are paid.

(2) The City's tax revenues in excess of the amount specified in paragraph (1) are hereby allocated to, and when collected by the EIFD shall be paid into a special fund of, the EIFD for the purposes specified in this IFP. Unless and until the total assessed valuation of the taxable property in the EIFD exceeds the total assessed value of the taxable property in the EIFD as shown by the last equalized assessment roll referred to in paragraph (1), all of the taxes levied and collected upon the taxable property in the EIFD shall be paid to the respective affected taxing entities. Notwithstanding the calculation of the Allocated Tax Revenue and the Conditional Tax Revenue on a Project Area-by-Project Area basis, the total amount of the Allocated Tax Revenue and the Conditional Tax Revenue for a tax year may not exceed the amount determined pursuant to this paragraph (2) for such tax year.

(3) When the 45-year period expires for a Project Area (which is referred to as the Project Area's Termination Date, as defined herein), (a) all tax allocations to the EIFD from the

expired Project Area shall end, (b) the IFP will cease to be in effect with respect to such expired Project Area, and (c) when calculating the Allocated Tax Revenue and the Conditional Tax Revenue, the amount of taxes described in paragraph (1) above shall no longer include the taxes generated in the expired Project Area.

2. **Definitions.** Subject to Section 53398.75(a) as described in the preceding Section D.1, and except to the extent provided in Section D.5 below, the City has made an irrevocable allocation of Allocated Tax Revenue to the EIFD, and a conditional allocation of Conditional Tax Revenue to the EIFD, in each case for the purpose of financing the Facilities and other related Actual Costs. The Conditional Tax Revenue may only be used to (i) provide additional coverage on the Bonds issued by the EIFD, (ii) pay debt service on Bonds issued by the EIFD, and (iii) replenish debt service reserve funds for such Bonds issued by the EIFD to the extent that Allocated Tax Revenue is not available for those purposes. *The Conditional Tax Revenue is not available to pay debt (as defined in the EIFD Law) that does not constitute Bonds, and it is not available to pay Bonds issued by or for a CFD.*

If the Conditional Tax Revenue is ever used to pay debt service on Bonds or replenish debt service reserve funds for such Bonds, then in future fiscal years after first paying or setting aside Allocated Tax Revenue needed to pay EIFD administration expenses, to pay debt service due during such fiscal year on Bonds issued by the EIFD, and to replenish any debt service reserve fund for Bonds, the EIFD shall repay the City out of Allocated Tax Revenue for any Conditional Tax Revenue used to pay debt service on Bonds or replenish debt service reserve funds for such Bonds in an amount equal to the Conditional Tax Revenue used to pay debt service on Bonds or replenish debt service reserve funds for such Bonds plus interest through the date of repayment at an interest rate equal to the rate of interest on the United States Treasury bond with a 10-year maturity on the date of the first use of Conditional Tax Revenue plus 300 basis points, and such interest rate shall remain fixed for the remainder of the term of this IFP.

This IFP uses the following terms to describe the property tax revenues allocated to the EIFD by the City:

“Allocated Tax Revenue” means 58.252419% of the City Share of Increment.²

“Base Year” means, for each Project Area, the fiscal year in which the assessed value of taxable property in the Project Area was last equalized prior to the effective date of the resolution

² For the benefit of eligible development projects, like the Projects, the City IFD Guidelines provide that the maximum incremental property tax revenue that may be allocated to an enhanced infrastructure financing district is 50% of the total incremental property tax revenue (including 50% of the VLF revenues, as defined below), and that the City may allocate all or a portion of the remaining 50% of the annual incremental property tax revenue (including the remaining 50% of the VLF revenues) on a conditional basis to provide debt service coverage for the district’s bonds or other debt. For purposes of this IFP, the City is not allocating VLF revenues to the EIFD, and instead the City is allocating 58.252419% of the City Share of Increment, which represents (i) 50% of the City Share of Increment plus (ii) an amount estimated to be equal to 50% of the VLF revenues. All of the VLF revenues will be deposited in the City general fund and none of the VLF revenue is allocated to the EIFD. For purposes of this footnote, “VLF revenues” means, for each Project Area, that portion of the ad valorem property tax revenue allocated to the City pursuant to Section 97.70 of the Revenue and Taxation Code that corresponds to the Incremental Assessed Property Value of property within the Project Area according to the formula set forth in California Revenue & Taxation Code Section 97.70 as of the date hereof.

adopted pursuant to Section 53398.69 to create the EIFD. The Base Year for each of the 6 Project Areas is fiscal year 2025-26. Upon subdivision of the parcels constituting Project Area A and the creation of new Project Areas as described in Section A.4, the Base Year assessed value for Project Area A will be allocated to each of newly-created Project Areas 1, 2 and 3 as shown in Table 2.

“City Share of Increment” means 64.588206% of Gross Tax Increment.

“Conditional Tax Revenue” means the 41.747581% of the City Share of Increment that does not constitute Allocated Tax Revenue.

“Gross Tax Increment” means, for each Project Area, 100% of the revenue produced by the application of the 1% ad valorem tax rate to the Incremental Assessed Property Value of property within the Project Area.

“Incremental Assessed Property Value” means, in any fiscal year, for each Project Area, the difference between the assessed value of the taxable property within the Project Area for that fiscal year and the assessed value of the taxable property within the Project Area in the Base Year, to the extent that the difference is a positive number. Incremental Assessed Property Value shall be measured on a Project Area by Project Area basis, and not on an aggregate EIFD basis.

3. **Allocated Tax Revenue.** Subject to Section D.1 above, as shown in Table 6 below, the City has agreed to irrevocably allocate Allocated Tax Revenue to the EIFD, except to the extent provided in Section D.5 below and subject to the maximum amounts specified below (see Section D.7(d) - *“Limit on Total Dollars Allocated to the EIFD”*). It is anticipated that the Allocated Tax Revenue will be utilized to finance the Facilities on both a “pay-as-you-go” (“pay-go”) basis and to pay debt service on Bonds or other debt permitted by the EIFD Law. As used in this IFP, “finance” includes not only using Allocated Tax Revenue (or Conditional Tax Revenue to the extent provided herein) to pay debt service on the Bonds and other debt of the EIFD, as applicable, but also using Allocated Tax Revenue on a pay-go basis to pay for eligible Actual Costs.

Table 6. Summary of Ad Valorem Tax Revenues Allocated to the EIFD

Gross Tax Increment, as a % of Incremental Assessed Property Value	1.000000%
City Share of Increment	64.588206%
Allocated Tax Revenue = 58.252419% of the City Share of Increment	37.624193%
Conditional Tax Revenue = 41.747581% of the City Share of Increment	26.964013%

(a) **City Share of Increment.** The following table shows the distribution of the 1% ad valorem property tax rate among taxing entities in the City, including the areas in the EIFD. *No taxing entity other than the City is allocating property tax revenue to the EIFD.*

Table 7 - Distribution of 1% Property Tax Rate Among Taxing Agencies

	Amount Available	Allocated Tax Revenue	Conditional Tax Revenue
City Portion			
City General Fund Portion	55.588206%	32.381475%	23.206731%
City Special Fund Portion	<u>9.000000%</u>	<u>5.242718%</u>	<u>3.757282%</u>
City Share of Increment	64.588206%	37.624193%	26.964013%
Other Taxing Agencies			
Education Revenue Augmentation Fund	25.330113%	0.000000%	0.000000%
San Francisco Unified School District	7.698857%	0.000000%	0.000000%
San Francisco Community College Fund	1.444422%	0.000000%	0.000000%
San Francisco County Office of Education	0.097335%	0.000000%	0.000000%
Bay Area Rapid Transit District	0.632528%	0.000000%	0.000000%
Bay Area Air Quality Management District	<u>0.208539%</u>	<u>0.000000%</u>	<u>0.000000%</u>
Total, Other Taxing Agencies	35.411794%	0.000000%	0.000000%
Total, All Taxing Agencies	100.000000%	37.624193%	26.964013%

4. **Conditional Tax Revenue.** The City has agreed to allocate the remaining 41.747581% of the City Share of Increment not constituting Allocated Tax Revenue on a conditional basis; the Conditional Tax Revenue is only available to (i) provide coverage for the Bonds issued by the EIFD and (ii) pay debt service on Bonds (but not other debt) issued by the EIFD, including replenishing debt service reserve funds for such Bonds, to the extent that Allocated Tax Revenue is not available for that purpose. For the avoidance of doubt, Conditional Tax Revenue is not available to provide coverage for any Bonds issued by the CFD or pay debt service on (or replenish debt service reserve funds related to) Bonds issued by the CFD, even if they are payable from Allocated Tax Revenue.

5. **Contingent Allocation.** The annual allocation of Allocated Tax Revenue to the EIFD by the City is contingent upon the EIFD's use of such increment to pay for the Actual Costs of Facilities, projects, or services, and to accomplish other authorized purposes, including to pay debt service on Bonds and other debt issued to accomplish such purposes. Subject to the final sentence of this paragraph, the annual allocation of Allocated Tax Revenue to the EIFD by the City shall be subject to this condition, and in no event may future allocations of tax revenues be accelerated. For the avoidance of doubt, nothing in this IFP is intended to require the Allocated Tax Revenue to be immediately spent on such authorized purposes; rather Allocated Tax Revenue may be accumulated and spent for authorized purposes over a period of time.

Similarly, the annual allocation of Conditional Tax Revenue to the EIFD by the City is contingent upon the EIFD's use of such increment to pay debt service on Bonds (including replenishing debt service reserve funds and providing adequate coverage for such Bonds) that finance the Actual Costs of Facilities and other authorized costs. The annual allocation of

Conditional Tax Revenue to the EIFD by the City shall be subject to this condition, and in no event may future allocations of tax revenues be accelerated.

6. *Commencement of Allocation of Allocated Tax Revenue.* The date that Allocated Tax Revenue is allocated to the EIFD for a Project Area shall be referred to herein as the “Commencement Date.” The Commencement Date for each Project Area is determined separately, and there is no requirement that the Commencement Date for each Project Area be the same.

Determined separately for each Project Area:

(i) the Commencement Date for Project Areas 4, 5 and 6 shall be the first day of the fiscal year in which the applicable Project Area produces at least \$100,000 of Allocated Tax Revenue in such fiscal year, and

(ii) the Commencement Date for Project Areas 1, 2 and 3 shall be the first day of the fiscal year in which both of the following have occurred with respect to the applicable Project Area: (1) a portion of Project Area A has been subdivided and, as applicable, Project Area 1, 2 or 3 has been established pursuant to Section A.4 of this IFP, and (2) the applicable Project Area produces at least \$100,000 of Allocated Tax Revenue in such fiscal year.

It is understood that Project Areas 1, 2 and 3 may be created at different times as Project Area A is subdivided from time to time.

Prior to the issuance of any Bonds by the EIFD, and notwithstanding any other provision of this IFP, the allocation of Allocated Tax Revenue and Conditional Tax Revenue under this IFP may be permanently terminated by the adoption by the Board of Supervisors of a termination resolution only if the first tax increment-producing building in the EIFD that was constructed, or caused to be constructed, by the 3333 California Street Developer or the 3700 California Street Developer (regardless of Project Area) has not received a certificate of occupancy for new construction or expansion of a building constituting permanent new development (not including rehabilitation, relocation, or other work that does not constitute permanent new development) before the tenth anniversary of the adoption by the PFA of the resolution establishing the EIFD (herein, the “Optional Termination for Cause”). For purposes of this paragraph, “certificate of occupancy” means the first certificate, including any temporary certificate of occupancy, issued by the City to confirm that a building or a portion of a building has met all of the building codes and can be occupied for residential or non-residential use. To provide clarity, the Optional Termination for Cause provisions set forth above shall no longer be applicable upon the first to occur of the (i) date that the first tax increment-producing building in any Project Area of the EIFD that was constructed or caused to be constructed by the 3333 California Street Developer or the 3700 California Street Developer receives a certificate of occupancy for new construction or expansion of a building constituting permanent new development (not including rehabilitation, relocation, or other work that does not constitute permanent new development) or (ii) date of the first issuance of Bonds. Within sixty (60) days of the occurrence of either (i) or (ii) in the preceding sentence, the Director of the Controller’s Office of Public Finance shall confirm in writing to the Developers that the Optional Termination for Cause provisions set forth in this Section D.6 are no longer applicable to the EIFD and that the allocation of Allocated Tax Revenue and

Conditional Tax Revenue under this IFP is no longer subject to Optional Termination for Cause pursuant to this Section D.6.

Any Allocated Tax Revenue received by the EIFD prior to the earlier of (i) the Optional Termination for Cause or (ii) the written confirmation by the Director of the Controller's Office of Public Finance to the Developers that the Optional Termination For Cause provisions are no longer applicable to the EIFD as described in the previous paragraph, shall accumulate and may be used by the PFA exclusively to pay administrative expenses and for no other purpose. If the Director of the Controller's Office of Public Finance provides written confirmation to the Developers that the Optional Termination For Cause provisions are no longer applicable to the EIFD, any accumulated Allocated Tax Revenue received by the EIFD that was not used for administrative expenses shall be available to the Developers for financing Facilities.

If the Optional Termination for Cause occurs, any accumulated Allocated Tax Revenue received by the EIFD that was not used for administrative expenses shall be returned by the PFA to the City and used for any lawful purpose.

7. *Requirements of the EIFD Law.*

(a) **Maximum Portion of Incremental Tax Revenue Dedicated to the EIFD**

Subject to Section 53398.75(a) of the EIFD Law as described in Section D.1 above, and except to the extent provided in Section D.5 above, the City is allocating to the EIFD 100% of the Allocated Tax Revenue for each year during which the EIFD will receive Allocated Tax Revenue for the purpose of financing the Facilities and paying related administrative costs.

In addition, subject to Section 53398.75(a) of the EIFD Law as described in Section D.1 above, and except to the extent provided in Section D.5 above, the City has agreed to allocate to the EIFD 100% of the Conditional Tax Revenue for each year during which the EIFD will receive Conditional Tax Revenue. However, the Conditional Tax Revenue is only available to meet debt service coverage requirements for Bonds issued by the EIFD, pay debt service on Bonds issued by the EIFD and replenish debt service reserve funds for such Bonds issued by the EIFD to the extent that Allocated Tax Revenue is not available to pay debt service or replenish debt service reserve funds. To the extent the Conditional Tax Revenue is held by a trustee or fiscal agent, the interest earnings on such Conditional Tax Revenue shall accrue for the benefit of the City rather than the EIFD or the owners of Bonds issued by the EIFD.

(b) **Projection of EIFD Tax Revenues by Year**

Set forth in the following Table 8 is the projected annual Allocated Tax Revenue based on the projected assessed value growth by Project Area. The annual projection of Allocated Tax Revenue by project area is presented in Exhibit D.

The Allocated Tax Revenue is projected to total approximately \$477.3 million across all Project Areas over the 45-year term of each Project Area.

The Conditional Tax Revenue is projected to total approximately \$342.1 million across all Project Areas over the 45-year term of each Project Area.

The projections in this IFP are based on available data at the time of IFP preparation for purposes of planning and illustration. Actual results will likely differ depending on numerous factors including, but not limited to: (i) actual construction and administration costs; (ii) actual construction and absorption schedules for both residential and commercial components; (iii) the final development program; (iv) economic factors such as rents, vacancy and interest rates; and (v) property valuation assessments.

In addition, because the commencement years and final years for the allocation of tax increment are dependent on the timing of generation and receipt of tax increment within each Project Area, the commencement and final years for each Project Area shown in the following tables are estimates only; actual dates for each Project Area will likely differ.

Table 8. Projected Aggregate Annual Incremental Tax Revenues to be Allocated to EIFD

Aggregate - All Project Areas, Post Subdivision								
EIFD Year	Fiscal Year	Estimated Incremental Assessed Value (\$000)	Gross Tax Increment (1% Incremental Assessed Value) ¹ (\$000)	City Share of Increment (64.588206%) ¹ (\$000)	Allocated Tax Revenue to EIFD (58.252419% of City Share of Increment), conditioned on Project Area allocation exceeding \$100,000 ² (\$000)	Admin Fee Estimate = \$200,000 per year, inflated (\$000)	Allocated Tax Revenue Minus Admin Fee(s) (\$000)	Conditional Tax Revenue Available for Bond Debt service If Necessary (41.747581% of City Share of Increment) ²
	2026/27	\$3,112	\$31	\$20	\$0	\$0	\$0	\$0
	2027/28	\$5,890	\$59	\$38	\$0	\$0	\$0	\$0
	2028/29	\$9,120	\$91	\$59	\$0	\$0	\$0	\$0
1	2029/30	\$401,473	\$4,015	\$2,593	\$2,570	\$225	\$2,345	\$1,842
2	2030/31	\$1,047,091	\$10,471	\$6,763	\$4,221	\$232	\$3,990	\$3,025
3	2031/32	\$1,422,316	\$14,223	\$9,186	\$5,372	\$239	\$5,134	\$3,850
4	2032/33	\$1,740,013	\$17,400	\$11,238	\$6,578	\$246	\$6,332	\$4,714
5	2033/34	\$1,779,189	\$17,792	\$11,491	\$6,726	\$253	\$6,473	\$4,820
6	2034/35	\$1,819,176	\$18,192	\$11,750	\$6,877	\$261	\$6,616	\$4,929
7	2035/36	\$1,859,988	\$18,600	\$12,013	\$7,031	\$269	\$6,762	\$5,039
8	2036/37	\$1,901,644	\$19,016	\$12,282	\$7,189	\$277	\$6,912	\$5,152
9	2037/38	\$1,944,161	\$19,442	\$12,557	\$7,349	\$285	\$7,064	\$5,267
10	2038/39	\$1,987,556	\$19,876	\$12,837	\$7,513	\$294	\$7,220	\$5,385
11	2039/40	\$2,031,848	\$20,318	\$13,123	\$7,681	\$303	\$7,378	\$5,504
12	2040/41	\$2,077,056	\$20,771	\$13,415	\$7,852	\$312	\$7,540	\$5,627
13	2041/42	\$2,123,198	\$21,232	\$13,713	\$8,026	\$321	\$7,705	\$5,752
14	2042/43	\$2,170,294	\$21,703	\$14,018	\$8,204	\$331	\$7,873	\$5,879
15	2043/44	\$2,218,363	\$22,184	\$14,328	\$8,385	\$340	\$8,045	\$6,010
16	2044/45	\$2,267,425	\$22,674	\$14,645	\$8,571	\$351	\$8,220	\$6,142
17	2045/46	\$2,317,501	\$23,175	\$14,968	\$8,760	\$361	\$8,399	\$6,278
18	2046/47	\$2,368,612	\$23,686	\$15,298	\$8,953	\$372	\$8,581	\$6,417
19	2047/48	\$2,420,780	\$24,208	\$15,635	\$9,150	\$383	\$8,767	\$6,558
20	2048/49	\$2,474,025	\$24,740	\$15,979	\$9,352	\$395	\$8,957	\$6,702
21	2049/50	\$2,528,371	\$25,284	\$16,330	\$9,557	\$407	\$9,150	\$6,849
22	2050/51	\$2,583,840	\$25,838	\$16,689	\$9,767	\$419	\$9,348	\$6,999
23	2051/52	\$2,640,456	\$26,405	\$17,054	\$9,981	\$431	\$9,549	\$7,153
24	2052/53	\$2,698,242	\$26,982	\$17,427	\$10,199	\$444	\$9,755	\$7,309
25	2053/54	\$2,757,221	\$27,572	\$17,808	\$10,422	\$458	\$9,964	\$7,469
26	2054/55	\$2,817,420	\$28,174	\$18,197	\$10,649	\$471	\$10,178	\$7,632
27	2055/56	\$2,878,863	\$28,789	\$18,594	\$10,881	\$485	\$10,396	\$7,798
28	2056/57	\$2,941,576	\$29,416	\$18,999	\$11,118	\$500	\$10,618	\$7,968
29	2057/58	\$3,005,584	\$30,056	\$19,413	\$11,360	\$515	\$10,845	\$8,142
30	2058/59	\$3,070,916	\$30,709	\$19,834	\$11,607	\$530	\$11,077	\$8,318
31	2059/60	\$3,137,598	\$31,376	\$20,265	\$11,859	\$546	\$11,313	\$8,499
32	2060/61	\$3,205,657	\$32,057	\$20,705	\$12,116	\$563	\$11,554	\$8,683
33	2061/62	\$3,275,124	\$32,751	\$21,153	\$12,379	\$580	\$11,799	\$8,872
34	2062/63	\$3,346,026	\$33,460	\$21,611	\$12,647	\$597	\$12,050	\$9,064
35	2063/64	\$3,418,393	\$34,184	\$22,079	\$12,920	\$615	\$12,305	\$9,260
36	2064/65	\$3,492,256	\$34,923	\$22,556	\$13,199	\$633	\$12,566	\$9,460
37	2065/66	\$3,567,646	\$35,676	\$23,043	\$13,484	\$652	\$12,832	\$9,664
38	2066/67	\$3,644,593	\$36,446	\$23,540	\$13,775	\$672	\$13,103	\$9,872
39	2067/68	\$3,723,131	\$37,231	\$24,047	\$14,072	\$692	\$13,380	\$10,085
40	2068/69	\$3,803,292	\$38,033	\$24,565	\$14,375	\$713	\$13,662	\$10,302
41	2069/70	\$3,885,109	\$38,851	\$25,093	\$14,684	\$734	\$13,950	\$10,523
42	2070/71	\$3,968,617	\$39,686	\$25,633	\$15,000	\$756	\$14,243	\$10,750
43	2071/72	\$4,053,852	\$40,539	\$26,183	\$15,322	\$779	\$14,543	\$10,980
44	2072/73	\$4,140,847	\$41,408	\$26,745	\$15,650	\$802	\$14,848	\$11,216
45	2073/74	\$4,229,641	\$42,296	\$27,318	\$15,986	\$826	\$15,159	\$11,457
46	2074/75	\$3,292,539	\$32,925	\$21,266	\$9,650	\$851	\$8,798	\$6,916
47	2075/76	\$1,675,570	\$16,756	\$10,822	\$5,550	\$877	\$4,673	\$3,977
48	2076/77	\$737,945	\$7,379	\$4,766	\$2,776	\$903	\$1,873	\$1,990
Cumulative Total, EIFD Term			\$1,269,102	\$819,690	\$477,347	\$23,503	\$453,844	\$342,099

¹ Represents aggregate Gross Tax Increment and City Share of Increment figures without consideration for Commencement Date.

² The Commencement Date for the Allocated Tax Revenue and Conditional Tax Revenue is determined separately for each Project Area based upon the conditions set forth in Section D.6 of this IFP. Figures reflect the sum of Allocated Tax Revenue or Conditional Tax Revenue projections for each Project Area, as shown in the Exhibit D tables.

(c) **Plan for Financing Facilities**

(i) *Facilities.* Multiple capital sources will be needed to pay for the Facilities to be financed by the EIFD. The currently contemplated capital sources related to the Facilities to be financed by the EIFD include:

- developer capital to be advanced by the Developers of the Projects;
- proceeds from Bonds secured by and payable from the Allocated Tax Revenue and the Conditional Tax Revenue to be issued by the EIFD;
- proceeds from other debt (as defined in the EIFD Law) secured by and payable from the Allocated Tax Revenue to be issued by the EIFD;
- Allocated Tax Revenue not utilized in the payment of debt service on Bonds or other debt, utilized on a pay-go basis;
- proceeds of CFD bonds and other CFD debt issued by the City, if any;
- proceeds of special taxes levied by the City on the taxable property in a CFD, if any;
- with regard to affordable housing, federal tax credits, qualified private activity bonds, voter-approved general obligation bonds, affordable housing and jobs/housing impact fees, and other local, state and federal affordable housing resources; and
- other capital sources, including commercial construction loans, grants, and loans from governmental agencies, among others.

(ii) *Bonds.* The EIFD intends to issue Bonds as provided in the EIFD Law, and such Bonds may be taxable or tax-exempt, and may be current-interest Bonds, capital appreciation Bonds, fixed-rate Bonds, or variable-rate Bonds. At this time, it is contemplated that Bonds may be issued by the EIFD or by the CFD. In the case of Bonds issued by a CFD, if any, Allocated Tax Revenue may be used to pay debt service on such obligations. In the case of Bonds issued by the EIFD, Allocated Tax Revenue will be used to pay debt service. The type of bond to be issued will be determined based on market conditions at the time of issuance.

The EIFD shall consider authorizing the issuance of Bonds only upon the written request of the 3333 California Street Developer and if the EIFD has received a copy of a Board of Supervisors resolution authorizing such Bonds. The Development Agreement Financing Plan provides that (i) such EIFD Bonds must be consistent with sound municipal financing practices and Section 3.4(g) of the Development Agreement Financing Plan after consultation with the City Controller's Office of Public Finance, (ii), the City must be assured, to its reasonable satisfaction, based on actual and projected reasonably foreseeable economic conditions that could have an impact on the assessed value of the property in the EIFD, that the Bonds are structured in a manner that (A) mitigates any potential material risk that the EIFD could default in the payment of debt service on the Bonds and (B) provides reasonable assurance to the City that that the Conditional Tax Revenue would likely be available to the City's General Fund and unlikely to be needed to pay debt service on the Bonds or replenish debt

service reserve funds for the Bonds and (iii) the City may implement other bond structure elements that it determines are consistent with sound municipal financing practices and Section 3.4(g), including requiring one or more debt service reserve funds.

The EIFD must conclude (after consultation with the Controller's Office of Public Finance) that the Bonds will have a debt service coverage ratio and term that maximizes the proceeds of the Bonds but is consistent with sound municipal financing practices and the limitations on the EIFD's receipt of Allocated Tax Revenue described in Sections D.7(d) ("*Limit on Total Dollars Allocated to the EIFD*") and D.7(e) ("*Termination Date*") below.

When Bonds are issued by the EIFD (or the CFD if the CFD Bonds are secured by Allocated Tax Revenue), the EIFD shall comply with the provisions of the EIFD Acquisition and Financing Agreement, including consulting with the City's Office of Public Finance as to the timing, parameters, and terms of any Bonds.

At the written request of the 3333 California Street Developer, the EIFD shall consider the issuance of one or more series of federally taxable Bonds to finance the Actual Cost (as defined in the EIFD Acquisition and Financing Agreement) of Facilities that cannot be financed on a federally tax-exempt basis. In addition, the EIFD shall issue federally taxable EIFD Bonds in the circumstances required by Section 3.6(e) of the Development Agreement Financing Plan.

The EIFD will not issue any Bonds until, for each Taxable Parcel (defined in the Development Agreement Financing Plan as a parcel that is subject to the ad valorem property tax within the boundaries of a Project Area) that the underwriter of the Bonds has utilized for purposes of sizing the Bonds, (i) the applicable Developer has exhausted all of its appeal rights with respect to the Baseline Assessed Value or (ii) the applicable Developer has notified the City and the EIFD in writing that, with respect to the Taxable Parcel, (A) the Developer is aware of its right to appeal the Taxable Parcel's Baseline Assessed Value that was established following the Taxable Parcel's recent improvement/sale, (B) the Developer has either availed itself of that right or decided not pursue any further appeals with respect to the Baseline Assessed Value arising out of the recent improvement/sale and (C) the Developer does not waive any right to appeal future assessed valuations of the Taxable Parcel. The written notice submitted by the Developer pursuant to the previous sentence must be satisfactory in form and substance to the City's Controller and the Executive Director of the EIFD. "Baseline Assessed Value" means, as applicable, (1) the initial assessed value of a parcel in the EIFD in the first Fiscal Year in which the assessed value reflects the full cash value of the initial improvements constructed on the parcel for which the City has issued an initial certificate of occupancy, or (2) following the valuation set forth in the preceding clause (1), the initial assessed value of a parcel in the EIFD in the first Fiscal Year in which the assessed value reflects any change in ownership or later improvements.

Allocated Tax Revenue will be used exclusively to finance the following in the priority listed below:

(A) to pay EIFD administrative costs;

(B) to pay debt service on Bonds or other debt and to replenish any reserve funds associated with Bonds;

(C) to repay the City for any expenditures of Conditional Tax Revenue actually spent on debt service on Bonds or to replenish any reserve funds for the Bonds; and

(D) to accumulate over time and, from time to time at the Developers' request, to pay directly or reimburse the Developers for the Actual Costs of Facilities.

(iii) *Anticipated Financing Plan.* Nothing in this IFP shall obligate the EIFD or the City to provide any moneys or funding sources other than the Allocated Tax Revenue and the Conditional Tax Revenue to the extent set forth herein, and neither the EIFD nor the City makes any representation that such moneys or funding sources will be available.

(d) **Limit on Total Dollars Allocated to the EIFD**

(i) *Allocated Tax Revenue.* After providing an allowance for variations in future inflation, it has been determined that the total nominal dollar amount of Allocated Tax Revenue to be allocated to the EIFD from the Project Areas over the life of the EIFD shall not exceed \$955,000,000, which reflects a contingency factor of approximately 100% over the projections presented in Table 8 and Exhibit D to account for potential changes in the escalation rates of assessed values and the Actual Costs of the Facilities.

The City intends for Allocated Tax Revenue in excess of the authorized uses described in this IFP to be returned to the City and used for any lawful purposes of the City. The EIFD would begin returning excess Allocated Tax Revenue to the City beginning in the fiscal year after the Facilities have been fully-financed (including any financing provided by the EIFD), the Bonds and all related costs have been paid in full, the City has been repaid for any Conditional Tax Revenue as described above, and the EIFD has paid all amounts required by the EIFD Acquisition and Financing Agreement. Excess tax increment shall consist of any Allocated Tax Revenue that is not required for the purposes set forth in this IFP and the EIFD Acquisition and Financing Agreement, including (i) debt service on Bonds and other Bond-related obligations (such as replenishment of debt service reserve funds), (ii) payments required on other debt of the EIFD, (iii) reimbursement of the City for the EIFD's use of Conditional Tax Revenue, (iv) pay-go payments for Facilities, and (v) EIFD administrative expenses. The EIFD shall provide the City an annual accounting of the status of the financing of the approved Facilities and the amount of any excess Allocated Tax Revenue. For the avoidance of doubt, nothing in this IFP is intended to require the Allocated Tax Revenue to be immediately spent on such authorized purposes; rather Allocated Tax Revenue may be accumulated and spent for

authorized purposes over a period of time. The accumulation of Allocated Tax Revenue for authorized purposes shall not be construed as excess Allocated Tax Revenue subject to return to the City.

(ii) *Conditional Tax Revenue.* After providing an allowance for variations in future inflation, it has been determined that the total nominal dollar amount of Conditional Tax Revenue to be conditionally allocated to the EIFD from the Project Areas over the life of the EIFD shall not exceed \$684,000,000, which reflects a contingency factor of approximately 100% over the projections presented in Table 8 and Exhibit D to account for potential changes in the escalation rates of assessed values and the Actual Costs of the Facilities.

The EIFD cash flow projection used to calculate these limits is set forth in Exhibit D.

(e) **Termination Date**

Each Project Area will have a unique date (“Termination Date”) on which this IFP will cease to be in effect with respect to such Project Area, all allocations of Allocated Tax Revenue to the EIFD from such Project Area will end and the EIFD’s authority to repay Bonds and other debt with Allocated Tax Revenue from such Project Area under the EIFD Law will end. For each Project Area, the Termination Date will be the final day of the fiscal year that occurs 45 years after the Commencement Date for such Project Area. The Termination Date shall be calculated separately for each Project Area.

Exhibit D includes projections of the first fiscal year in which the EIFD expects to receive \$100,000 of Allocated Tax Revenue from each Project Area and the final year in which the Allocated Tax Revenue and the Conditional Tax Revenue would be allocated to the EIFD from each Project Area.

(f) **Analysis of Costs to Provide Facilities and Services**

Exhibit E provides a summary that details the projected fiscal expenditures by the City for facilities and services to the EIFD while the area is being developed and after the area is developed.

(g) **Fiscal Impact Analysis**

Exhibit E of the IFP provides a summary of the estimated impact of the EIFD and the Projects on the City’s fiscal revenues.

(h) **Developer Reimbursement for Transit Priority Project**

The EIFD is not intended to finance any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of the EIFD and qualifies for the Transit Priority Project Program, pursuant to California Government Code Section 65470. The Projects do not qualify as a Transit Priority Project.

E. REMOVAL OF DWELLING UNITS AND REPLACEMENT HOUSING PLAN

Because no dwelling units exist within the territory of the EIFD as of the date of adoption of this IFP by the PFA, the EIFD Law does not require this IFP to include a plan for the replacement of dwelling units or the relocation of persons or families. (It should be noted that the Non-EIFD Apartments are not within the boundaries of the EIFD.)

F. GOALS OF THE EIFD

The City's goal in proposing establishment of the EIFD was to help address a shortfall in financing for the provision of Facilities of communitywide significance that provide significant benefits and promote economic development and the construction of housing (including affordable housing) within the boundaries of the EIFD or the surrounding community.

G. FUTURE AMENDMENTS OF THIS INFRASTRUCTURE FINANCING PLAN

1. *Amendments related to the 3333 California Street Development Agreement and the Financing Plan.*

The provisions of the 3333 California Street Development Agreement, the Development Agreement Financing Plan and the EIFD Acquisition and Financing Agreement, as they may be amended from time to time, are incorporated in this IFP as if fully set forth herein, and any such amendments of the 3333 California Street Development Agreement, the Development Agreement Financing Plan and the EIFD Acquisition and Financing Agreement shall not require an amendment of this IFP. Nothing in this IFP shall prevent any amendment to the 3333 California Street Development Agreement, the Development Agreement Financing Plan and the EIFD Acquisition and Financing Agreement.

2. *Amendments of Project Area Boundaries Related to Subdivision of Project Area A.*

See Section A for a discussion of future amendments of the boundaries of the EIFD and Project Areas related to subdivision of the parcels constituting Project Area A.

3. *Amendments of Project Area Boundaries Related to Tax Rate Areas.*

See Section A for a discussion of future amendments of the boundaries of the EIFD and Project Areas for purposes of coordinating tax rate areas.

4. *Approval by the City and the Developers.*

Other than amendments described in 1-3, inclusive, above, any amendment of this IFP shall require written approval by (i) the Board of Supervisors of the City and (ii) the 3333 California Street Developer and the 3700 California Street Developer.

H. DEFAULTS AND REMEDIES

In the event that the EIFD defaults under its obligations under the EIFD Acquisition and Financing Agreement, and an Event of Default (as defined in the EIFD Acquisition and Financing Agreement) occurs, the City and the Developers may exercise all legal and equitable remedies available, including but not limited to, filing proceedings to obtain injunctive relief or compel specific performance of the IFP and the EIFD Acquisition and Financing Agreement; provided however, the City, the Developers and the EIFD have determined that, to the extent permitted under applicable law, the exclusive remedy should be an action for injunctive relief or specific performance of the IFP and the EIFD Acquisition and Financing Agreement. The EIFD acknowledges and agrees that a failure of the EIFD to timely perform any duty, obligation, or covenant under the IFP, including the application of the Allocated Tax Revenue and Conditional Tax Revenue in accordance with the IFP and the application of such Allocated Tax Revenue to fund the Facilities in accordance with the EIFD Acquisition and Financing Agreement, will cause irreparable harm to the Developers that cannot be fully compensated by monetary damages and shall entitle the Developers to seek injunctive relief or specific performance. In addition, the City shall also be entitled to all legal and equitable remedies, including, but not limited to, injunctive relief to compel the EIFD to perform its duties, obligations, or covenants under the IFP and the EIFD Acquisition and Financing Agreement.

Due to the unique nature of the IFP and the Projects and because time is of the essence in the performance of obligations under the IFP, the City and the EIFD have waived in the EIFD Acquisition and Financing Agreement the procedural protections of the Government Claims Act, California Government Code Section 810 et seq, in connection with any dispute related to or arising out of the IFP or the EIFD Acquisition and Financing Agreement, including those procedures requiring the filing of an administrative claim within the applicable statute of limitation.

Except as expressly limited by this IFP or the EIFD Acquisition and Financing Agreement, the rights and remedies of the parties to the EIFD Acquisition and Financing Agreement regarding the enforcement of the IFP shall be cumulative, and the exercise by any party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other remedies contained in the EIFD Acquisition and Financing Agreement for the same breach by the applicable party. The City and Developers may pursue remedies simultaneously on the same matter. In addition, the remedies provided in the EIFD Acquisition and Financing Agreement regarding the enforcement of the IFP do not limit the remedies provided in other agreements (such as the 3333 California Street Development Agreement).

Exhibit A - Legal Description

Project Area A

THE LAND REFERRED TO HEREIN BELOW IS SITUATED SAN FRANCISCO, IN THE COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

BEGINNING at a point on the Southerly line of California Street, said point being the Easterly extremity of the curve with a 15 foot radius joining the Easterly line of Laurel Street with the Southerly line of California Street, as shown on "Map of Laurel Heights, filed July 28, 1947, in Map Book "P", at Pages 55 and 56, Official Records of the City and County of San Francisco; running thence North 80°54' East 707.375 feet along the Southerly line of California Street to the Southwesterly boundary of the property of the Standard Oil Company of California; thence South 52°36' 29.74 seconds East along said boundary 232.860 feet; thence Southwesterly along the arc of a curve to the right whose tangent deflects 54°14' 30.74 seconds to the right from the preceding course, radius 425 feet, central angle 34°15'59", a distance of 254.176 feet; thence South 35°54' West tangent to the preceding curve 380.066 feet; thence Southwesterly along the arc of a curve to the right, tangent to the preceding course, radius 65 feet, central angle 37°18' a distance of 42.316 feet to tangency with the Northwesterly line of Euclid Avenue; thence South 73°12' West along said line of Euclid Avenue 312.934 feet; thence leaving said line of Euclid Avenue, and running Southwesterly, Westerly, and Northwesterly along the arc of a curve to the right, tangent to the preceding course, radius 20 feet, central angle 100°48' 01.51", a distance of 35.186 feet; thence Northwesterly along the arc of a reverse curve to the left, parallel to and concentric with and radially distant 6 feet Northeasterly from the Northeasterly line of Laurel Street, as shown on said map of Laurel Heights, radius 4033 feet, central angle 5°31' 20.27", a distance of 388.710 feet; thence Northwesterly along the arc of a compound curve to the left, radius 120 feet, central angle 71°12' 55.45", a distance of 149.153 feet; thence Northwesterly along the arc of a reverse curve to the right, radius 60 feet, central angle 73°38' 14.21", a distance of 77.113 feet to tangency with the Easterly line of Laurel Street; thence North 9°06' West along said line of Laurel Street 127.290 feet to the beginning of the above mentioned curve joining the Easterly line of Laurel Street with Southerly line of California Street; thence Northwesterly, Northerly, and Northeasterly along the arc of a curve to the right, radius 15 feet 90°00', a distance of 23.562 feet to tangency with the Southerly line of California Street and the point of beginning.

APN: Lot 003, Block 1032

Project Area 4

PARCEL 1: BEGINNING AT A POINT ON THE SOUTHERLY LINE OF SACRAMENTO STREET, DISTANT THEREON 34 FEET AND 1 INCH WESTERLY FROM THE WESTERLY LINE OF CHERRY STREET; RUNNING THENCE WESTERLY ALONG SAID LINE OF SACRAMENTO STREET 100 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 132 FEET AND 7-1/8 INCHES; THENCE AT A RIGHT ANGLE EASTERLY 134 FEET AND 1 INCH TO THE WESTERLY LINE OF CHERRY STREET; THENCE AT A RIGHT ANGLE NORTHERLY ALONG SAID LINE OF CHERRY STREET 50 FEET AND 7-1/8 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 34 FEET AND 1 INCH; THENCE AT A RIGHT ANGLE NORTHERLY 82 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF WESTERN ADDITION BLOCK NO. 847.

APN: LOT 052, BLOCK 1015

PARCEL 2: BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF CALIFORNIA STREET WITH THE WESTERLY LINE OF CHERRY STREET; RUNNING THENCE WESTERLY ALONG SAID LINE OF CALIFORNIA STREET 33 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 48 FEET; THENCE AT A RIGHT ANGLE EASTERLY 33 FEET TO THE WESTERLY LINE OF CHERRY STREET; THENCE AT A RIGHT ANGLE SOUTHERLY ALONG SAID LINE OF CHERRY STREET 48 FEET TO THE POINT OF BEGINNING.

BEING PART OF WESTERN ADDITION BLOCK NO. 847.

APN: LOT 053, BLOCK 1015 PORTION

PARCEL 3: BEGINNING AT A POINT ON THE NORTHERLY LINE OF CALIFORNIA STREET, DISTANT THEREON 33 FEET WESTERLY FROM THE WESTERLY LINE OF CHERRY STREET; RUNNING THENCE WESTERLY ALONG SAID LINE OF CALIFORNIA STREET 25 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 107 FEET AND 7-1/8 INCHES; THENCE AT A RIGHT ANGLE EASTERLY 25 FEET; AND THENCE AT A RIGHT ANGLE SOUTHERLY 107 FEET AND 7-1/8 INCHES TO THE POINT OF BEGINNING.

BEING A PORTION OF WESTERN ADDITION BLOCK NO. 847.

APN: LOT 053, BLOCK 1015 PORTION

PARCEL 4: BEGINNING AT A POINT ON THE NORTHERLY LINE OF CALIFORNIA STREET, DISTANT THEREON 58 FEET WESTERLY FROM THE WESTERLY LINE OF CHERRY STREET; RUNNING THENCE WESTERLY ALONG SAID LINE OF CALIFORNIA STREET 25 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 107 FEET AND 7-1/8 INCHES; THENCE AT A RIGHT ANGLE EASTERLY 25 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 107 FEET AND 7-1/8 INCHES TO THE POINT OF BEGINNING.

BEING PORTION OF WESTERN ADDITION BLOCK NO. 847.

APN: LOT 053, BLOCK 1015 PORTION

PARCEL 5: BEGINNING AT A POINT ON THE NORTHERLY LINE OF CALIFORNIA STREET, DISTANT THEREON 83 FEET WESTERLY FROM THE WESTERLY LINE OF CHERRY STREET; RUNNING THENCE WESTERLY AND ALONG SAID LINE OF CALIFORNIA STREET 25 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 107 FEET AND 7-1/8 INCHES; THENCE AT A RIGHT ANGLE EASTERLY 25 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 107 FEET AND 7-1/8 INCHES TO THE POINT OF BEGINNING.

BEING A PART OF WESTERN ADDITION BLOCK NO. 847.

APN: LOT 053, BLOCK 1015 PORTION

PARCEL 6: BEGINNING AT A POINT ON THE NORTHERLY LINE OF CALIFORNIA STREET, DISTANT THEREON 108 FEET WESTERLY FROM THE WESTERLY LINE OF CHERRY STREET; RUNNING THENCE WESTERLY ALONG SAID LINE OF CALIFORNIA STREET 25 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 132 FEET AND 7-1/8 INCHES; THENCE AT A RIGHT ANGLE EASTERLY 25 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 132 FEET AND 7-1/8 INCHES TO THE POINT OF BEGINNING.

BEING PART OF WESTERN ADDITION BLOCK NO. 847.

APN: LOT 053, BLOCK 1015 PORTION

PARCEL 7: BEGINNING AT A POINT ON THE WESTERLY LINE OF CHERRY STREET, DISTANT THEREON 48 FEET NORTHERLY FROM THE NORTHERLY LINE OF CALIFORNIA STREET; RUNNING THENCE NORTHERLY ALONG SAID LINE OF CHERRY STREET 59 FEET AND 7-1/8 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 33 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 59 FEET AND 7-1/8 INCHES; THENCE AT A RIGHT ANGLE EASTERLY 33 FEET TO THE POINT OF BEGINNING.

BEING A PART OF WESTERN ADDITION BLOCK NO. 847.

APN: LOT 053, BLOCK 1015 PORTION

PARCEL 8: BEGINNING AT A POINT ON THE WESTERLY LINE OF CHERRY STREET, DISTANT THEREON 107 FEET AND 7-1/8 INCHES NORTHERLY FROM THE NORTHERLY LINE OF CALIFORNIA STREET; RUNNING THENCE NORTHERLY ALONG THE WESTERLY LINE OF CHERRY STREET, 25 FEET; THENCE AT A RIGHT ANGLE WESTERLY 108 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 25 FEET; AND THENCE AT A RIGHT ANGLE EASTERLY 108 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF WESTERN ADDITION BLOCK NO. 847.

APN: LOT 053, BLOCK 1015 PORTION

PARCEL 9: BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF SACRAMENTO STREET WITH THE WESTERLY LINE OF CHERRY STREET; RUNNING THENCE WESTERLY ALONG SAID LINE OF SACRAMENTO STREET 34 FEET, 1 INCH;

THENCE AT A RIGHT ANGLE SOUTHERLY 82 FEET; THENCE AT A RIGHT ANGLE
EASTERLY 34 FEET, 1 INCH TO THE WESTERLY LINE OF CHERRY STREET; THENCE AT A
RIGHT ANGLE NORTHERLY ALONG SAID LINE OF CHERRY STREET 82 FEET TO THE
POINT OF BEGINNING.

BEING A PORTION OF WESTERN ADDITION BLOCK NO. 847.

APN: LOT 001, BLOCK 1015

Project Area 5

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF SACRAMENTO STREET AND THE WESTERLY LINE OF MAPLE STREET, RUNNING THENCE SOUTHERLY ALONG SAID LINE OF MAPLE STREET 265 FEET AND 2-1/4 INCHES TO THE NORTHERLY LINE OF CALIFORNIA STREET, THENCE WESTERLY ALONG SAID CALIFORNIA STREET 412 FEET AND 6 INCHES TO THE EASTERLY LINE OF CHERRY STREET; THENCE NORTHERLY ALONG SAID LINE OF CHERRY STREET 265 FEET AND 2-1/4 INCHES TO THE SOUTHERLY LINE OF SACRAMENTO STREET; THENCE EASTERLY ALONG SAID SACRAMENTO STREET 412 FEET AND 6 INCHES TO THE POINT OF BEGINNING.

BEING ALL OF WESTERN ADDITION BLOCK NO. 846.

APN: LOTS 001 THROUGH 009, BLOCK 1016

Project Area 6

PARCEL 1: BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF CALIFORNIA STREET WITH THE EASTERLY LINE OF MAPLE STREET; RUNNING THENCE NORTHERLY ALONG THE EASTERLY LINE OF MAPLE STREET 132 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE EASTERLY 110 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 1-1/8 INCHES; THENCE AT A RIGHT ANGLE EASTERLY 87 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 132 FEET AND 7-1/8 INCHES TO THE NORTHERLY LINE OF CALIFORNIA STREET; THENCE AT A RIGHT ANGLE WESTERLY ALONG SAID NORTHERLY LINE OF CALIFORNIA STREET 197 FEET AND 6 INCHES TO THE POINT OF BEGINNING.

BEING A PORTION OF WESTERN ADDITION BLOCK NO. 833.

APN: LOT 028, BLOCK 1017 PORTION

PARCEL 2: BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF SACRAMENTO STREET WITH THE EASTERLY LINE OF MAPLE STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF SACRAMENTO STREET 34 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 102 FEET AND 8-1/4 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 34 FEET AND 6 INCHES TO THE EASTERLY LINE OF MAPLE STREET; THENCE AT A RIGHT ANGLE NORTHERLY ALONG SAID LINE OF MAPLE STREET 102 FEET AND 8-1/4 INCHES TO THE POINT OF BEGINNING.

BEING A PORTION OF WESTERN ADDITION BLOCK NO. 833.

APN: LOT 028, BLOCK 1017 PORTION

PARCEL 3: BEGINNING AT A POINT ON THE EASTERLY LINE OF MAPLE STREET, DISTANT THEREON 102 FEET AND 8-1/4 INCHES SOUTHERLY FROM THE SOUTHERLY LINE OF SACRAMENTO STREET; RUNNING THENCE SOUTHERLY ALONG SAID LINE OF MAPLE STREET 29 FEET AND 10-7/8 INCHES; THENCE AT A RIGHT ANGLE EASTERLY 112 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE NORTHERLY 25 FEET; THENCE AT A RIGHT ANGLE WESTERLY 78 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 4 FEET AND 10-7/8 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 34 FEET AND 6 INCHES TO THE POINT OF BEGINNING.

BEING A PART OF WESTERN ADDITION BLOCK NO. 833.

APN: LOT 028, BLOCK 1017 PORTION

PARCEL 4: BEGINNING AT A POINT ON THE SOUTHERLY LINE OF SACRAMENTO STREET, DISTANT THEREON 34 FEET AND 6 INCHES EASTERLY FROM THE EASTERLY LINE OF MAPLE STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF SACRAMENTO STREET 28 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 107 FEET AND 7-1/8 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 28 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 107 FEET AND 7-1/8 INCHES TO THE POINT OF BEGINNING.

BEING A PORTION OF WESTERN ADDITION BLOCK NO. 833.

APN: LOT 028, BLOCK 1017 PORTION

PARCEL 5: BEGINNING AT A POINT ON THE SOUTHERLY LINE OF SACRAMENTO STREET, DISTANT THEREON 62 FEET AND 6 INCHES EASTERLY FROM THE EASTERLY LINE OF MAPLE STREET; RUNNING THENCE EASTERLY AND ALONG SAID SOUTHERLY LINE OF SACRAMENTO STREET 25 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 107 FEET AND 7-1/8 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 25 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 107 FEET AND 7-1/8 INCHES TO THE POINT OF BEGINNING.

BEING A PORTION OF WESTERN ADDITION BLOCK NO. 833.

APN: LOT 028, BLOCK 1017 PORTION

PARCEL 6: BEGINNING AT A POINT ON THE SOUTHERLY LINE OF SACRAMENTO STREET, DISTANT THEREON 87 FEET AND 6 INCHES EASTERLY FROM THE EASTERLY LINE OF MAPLE STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF SACRAMENTO STREET 25 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 107 FEET AND 7-1/8 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 25 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 107 FEET AND 7-1/8 INCHES TO THE POINT OF BEGINNING.

BEING A PART OF WESTERN ADDITION BLOCK NO. 833.

APN: LOT 028, BLOCK 1017 PORTION

PARCEL 7: BEGINNING AT A POINT ON THE EASTERLY LINE OF MAPLE STREET, DISTANT THEREON 132 FEET AND 6 INCHES NORTHERLY FROM THE NORTHERLY LINE OF CALIFORNIA STREET; RUNNING THENCE NORTHERLY ALONG SAID EASTERLY LINE OF MAPLE STREET 1-1/8 INCHES; THENCE AT A RIGHT ANGLE EASTERLY 110 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 1-1/8 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 110 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF WESTERN ADDITION BLOCK NO. 833.

APN: LOT 028, BLOCK 1017 PORTION

PARCEL 8: BEGINNING AT A POINT ON THE SOUTHERLY LINE OF SACRAMENTO STREET, DISTANT THEREON 112 FEET AND 6 INCHES EASTERLY FROM THE EASTERLY LINE OF MAPLE STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF SACRAMENTO STREET 52 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 132 FEET AND 7-1/8 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 52 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE NORTHERLY 132 FEET AND 7-1/8 INCHES TO THE POINT OF BEGINNING.

BEING A PORTION OF WESTERN ADDITION BLOCK NO. 833.

APN: LOT 028, BLOCK 1017 PORTION

PARCEL 9: BEGINNING AT A POINT ON THE SOUTHERLY LINE OF SACRAMENTO STREET, DISTANT THEREON 165 FEET EASTERLY FROM THE EASTERLY LINE OF MAPLE STREET; RUNNING THENCE EASTERLY ALONG THE SOUTHERLY LINE OF SACRAMENTO STREET 27 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 132 FEET AND 7-1/8 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 27 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE NORTHERLY 132 FEET AND 7-1/8 INCHES TO THE POINT OF BEGINNING.

BEING A PART OF WESTERN ADDITION BLOCK NO. 833.

APN: LOT 028, BLOCK 1017 PORTION

PARCEL 10: BEGINNING AT A POINT ON THE SOUTHERLY LINE OF SACRAMENTO STREET, DISTANT THEREON 192 FEET AND 6 INCHES EASTERLY FROM THE EASTERLY LINE OF MAPLE STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF SACRAMENTO STREET 27 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 132 FEET AND 7-1/8 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 27 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE NORTHERLY 132 FEET AND 7-1/8 INCHES TO THE POINT OF BEGINNING.

BEING A PART OF WESTERN ADDITION BLOCK NO. 833.

APN: LOT 028, BLOCK 1017 PORTION

PARCEL 11: BEGINNING AT A POINT ON THE NORTHERLY LINE OF CALIFORNIA STREET, DISTANT THEREON 197 FEET AND 6 INCHES EASTERLY FROM THE EASTERLY LINE OF MAPLE STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF CALIFORNIA STREET 25 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 132 FEET AND 7-1/8 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 25 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 132 FEET AND 7-1/8 INCHES TO THE POINT OF BEGINNING.

BEING A PORTION OF WESTERN ADDITION BLOCK NO. 833.

APN: LOT 027, BLOCK 1017 PORTION

PARCEL 12: BEGINNING AT A POINT ON THE NORTHERLY LINE OF CALIFORNIA STREET, DISTANT THEREON 222 FEET AND 6 INCHES EASTERLY FROM THE EASTERLY LINE OF MAPLE STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF CALIFORNIA STREET 25 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 132 FEET AND 7-1/8 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 25 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 132 FEET AND 7-1/8 INCHES TO THE POINT OF BEGINNING.

BEING A PORTION OF WESTERN ADDITION BLOCK NO. 833.

APN: LOT 027, BLOCK 1017 PORTION

PARCEL 13: BEGINNING AT A POINT ON THE NORTHERLY LINE OF CALIFORNIA STREET, DISTANT THEREON 247 FEET AND 6 INCHES EASTERLY FROM THE EASTERLY LINE OF MAPLE STREET; RUNNING THENCE EASTERLY ALONG SAID LINE OF CALIFORNIA STREET 25 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 132 FEET AND 7-1/8 INCHES; THENCE AT A RIGHT ANGLE WESTERLY 25 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 132 FEET AND 7-1/8 INCHES TO THE POINT OF BEGINNING.

BEING A PORTION OF WESTERN ADDITION BLOCK NO. 833.

APN: LOT 027, BLOCK 1017 PORTION

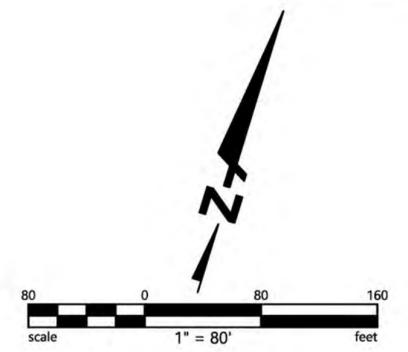
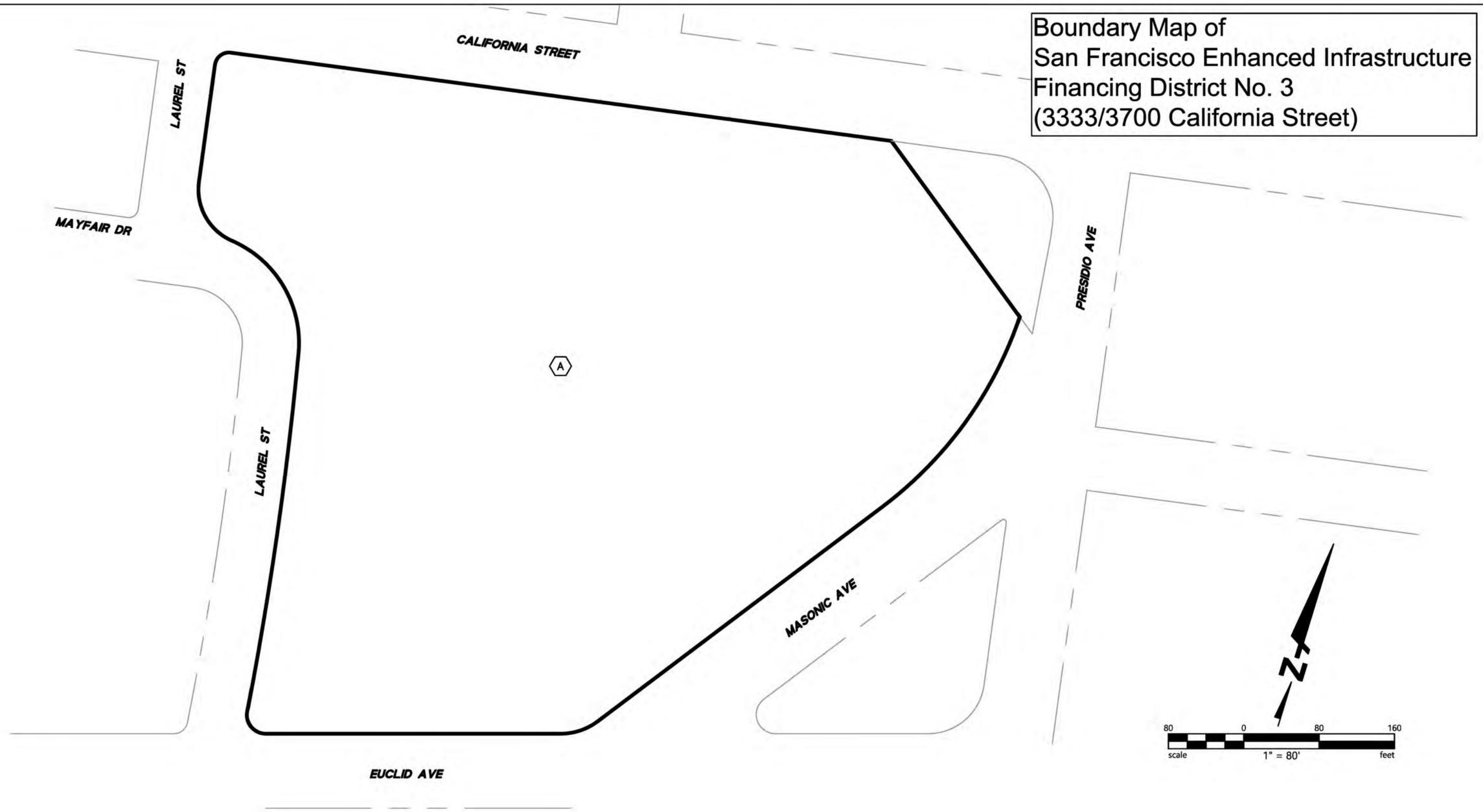
PARCEL 14: BEGINNING AT A POINT ON THE NORTHERLY LINE OF CALIFORNIA STREET, DISTANT THEREON 112 FEET AND 6 INCHES WESTERLY FROM THE WESTERLY LINE OF SPRUCE STREET; RUNNING THENCE WESTERLY ALONG SAID LINE OF CALIFORNIA STREET 27 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE NORTHERLY 132 FEET AND 7-1/8 INCHES; THENCE AT A RIGHT ANGLE EASTERLY 27 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHERLY 132 FEET AND 7-1/8 INCHES TO THE POINT OF BEGINNING.

BEING A PORTION OF WESTERN ADDITION BLOCK NO. 833.

APN: LOT 027, BLOCK 1017 PORTION

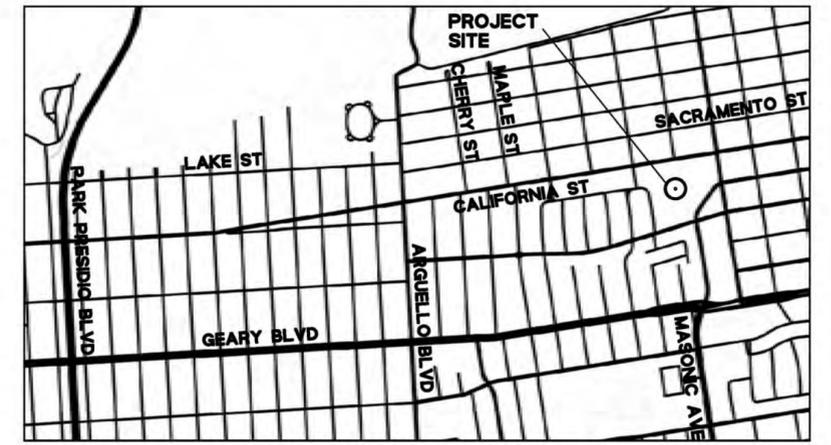
Exhibit B - Site Map

Boundary Map of
San Francisco Enhanced Infrastructure
Financing District No. 3
(3333/3700 California Street)



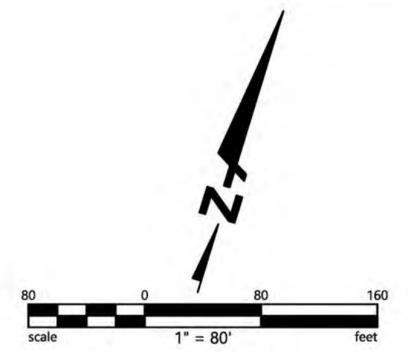
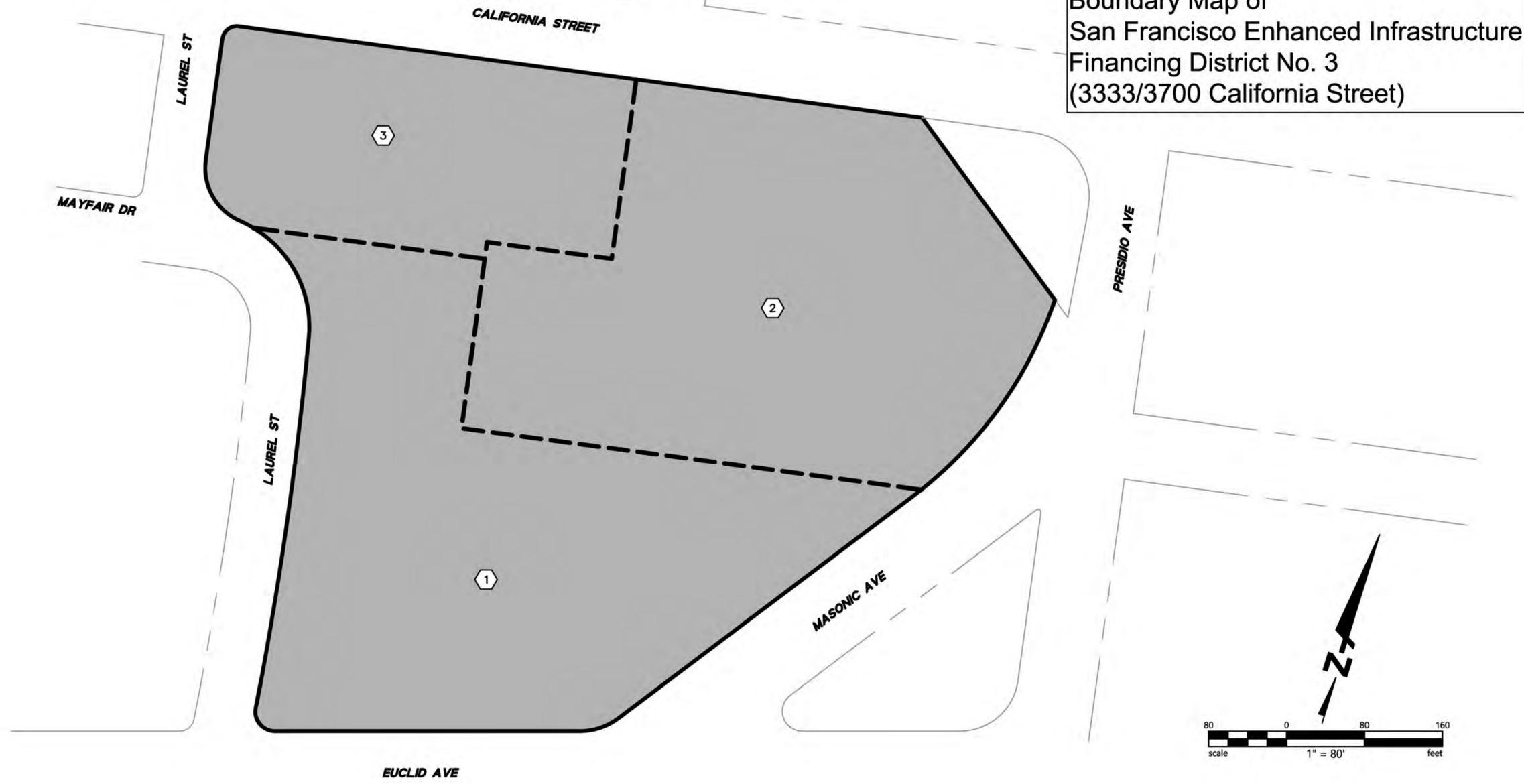
PROJECT AREA SUMMARY		
PROJECT AREA AT FORMATION	APN	PROJECT AREA AFTER PLANNED DEVELOPMENT
A	1031-003	1 2 3

LEGEND	
—————	DISTRICT BOUNDARY
- - - - -	NON-PROJECT AREA BOUNDARY (ROW)
A	PROJECT AREA DESIGNATION



VICINITY MAP - NOT TO SCALE

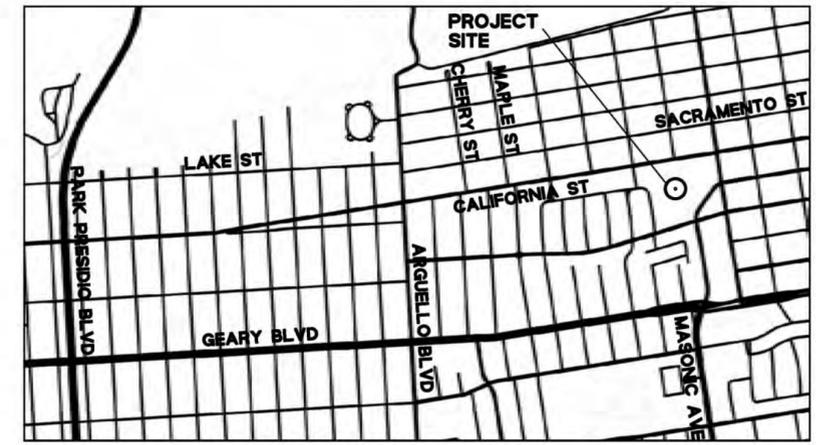
Boundary Map of
San Francisco Enhanced Infrastructure
Financing District No. 3
(3333/3700 California Street)



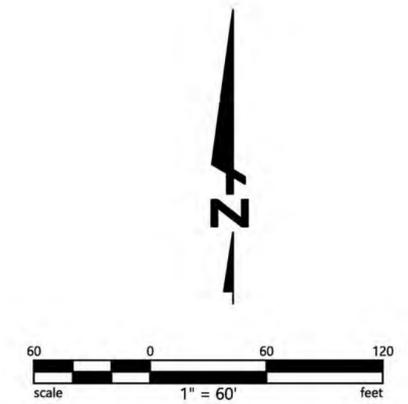
PROJECT AREA SUMMARY		
PROJECT AREA	APN	KEYNOTE
1	1051-003 IP1	①
2	1051-003 IP1	②
3	1051-003 IP1	③

IP1 = PORTION OF ASSESSOR'S PARCEL

- LEGEND**
- DISTRICT BOUNDARY
 - NON-PROJECT AREA BOUNDARY (ROW)
 - PROJECT AREA LIMITS
 - PROJECT AREA DESIGNATION
 - PLANNED DEVELOPMENT PROJECT AREA BOUNDARIES



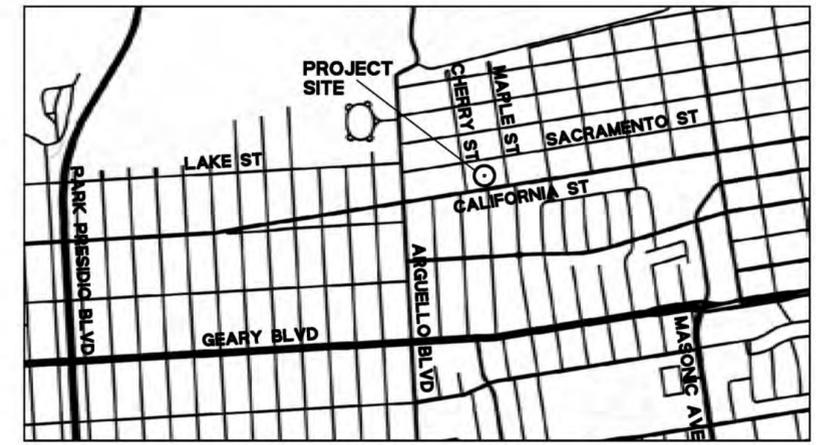
Boundary Map of
San Francisco Enhanced Infrastructure
Financing District No. 3
(3333/3700 California Street)



PROJECT AREA SUMMARY		
PROJECT AREA	EXIST'G APN	KEYNOTE
4	1015-052, 1015-053	4
5	1016-001, 1016-002, 1015-003, 1016-004, 1016-005, 1016-006, 1015-007, 1016-008, 1015-009	5
	1017-027, 1017-028	6
		E

Note: 401 Cherry (APN 1015-051) is excluded from the district.

- LEGEND**
- DISTRICT BOUNDARY
 - NON-PROJECT AREA BOUNDARY (ROW)
 - PROJECT AREA DESIGNATION
 - PLANNED DEVELOPMENT PROJECT AREA BOUNDARIES



VICINITY MAP - NOT TO SCALE

Exhibit C -Facilities Eligible for Financing by the EIFD

DESCRIPTION OF FACILITIES

Subject to any limitation in this IFP and the EIFD Acquisition and Financing Agreement the EIFD shall be authorized to finance all or a portion of the costs of the purchase, site preparation, construction, expansion, improvement, seismic retrofit or rehabilitation of the public capital facilities or other projects (whether publicly- or privately-owned) of communitywide significance that are (i) authorized by Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53398.50 ("EIFD Law"), (ii) for the 3333 California Street Project, required or permitted by the 3333 California Street Development Agreement, or the Approvals (as defined in the 3333 California Street Development Agreement), and (iii) for the 3700 California Street Project, required or permitted by the plan documents or the Conditions of Approval ("Facilities"), including, but not limited to, the actual costs of those facilities and projects of communitywide significance described below and those costs described below.

The Facilities may be owned by a public agency (including, but not limited to, the City) or privately-owned as permitted by the EIFD Law.

Facilities may be physically located within or outside the boundaries of the EIFD; any Facilities that are located outside the boundaries of the EIFD must have a tangible connection to the work of the EIFD. Section C of this IFP ("Finding of Communitywide Significance") includes a finding that any Facilities financed by the EIFD that are located outside the boundaries of the EIFD, including, but not limited to, any affordable housing, will have a tangible connection to the work of the EIFD.

Capitalized terms used herein but not defined herein have the meanings given them in the EIFD Acquisition and Financing Agreement.

For the avoidance of doubt, whenever the IFP refers to the EIFD providing financing for fees it means that the EIFD funds in a corresponding amount will be applied to pay the actual costs of eligible Facilities and the Developers will be provided with a corresponding credit against their obligation to pay such fees. Section 6.4 of the EIFD Acquisition and Financing Agreement provides further detail about the financing of fees.

The Facilities for the 3333 California Street Project and the 3700 California Street Project include, but are not limited, the following:

1. Public improvements constructed or caused to be constructed by the 3333 California Street Developer and/or the 3700 California Street Developer, including, but not limited to, site work, streets, utilities, street trees, landscaping, and Streetscape Improvements (as defined in the Development Agreement) and costs associated with the demolition and/or rehabilitation of existing and historic buildings or components thereof.

2. Privately-owned community improvements constructed or caused to be constructed by the 3333 California Street Developer and/or the 3700 California Street Developer, including, but not limited to, utilities, parks and open space including any interim uses, pedestrian paths, alleys, storm drain facilities, stormwater capture and processing systems, utility facilities serving the Facilities, Streetscape Improvements (if privately owned), and other “purple pipe” requirements, SFMTA employee restrooms, Muni bus shelters, community or recreation facilities, tenant improvements, and Publicly Accessible Private Improvements (as defined in the Development Agreement).
3. Affordable Housing. The acquisition, construction, or rehabilitation of the Walnut Affordable Housing Building, including, subject to the provisions of the EIFD Acquisition and Financing Agreement (including, but not limited to, Section 6.4), any Gap Fees and affordable housing in-lieu fees paid by the Projects to construct housing units in accordance with this IFP and the EIFD Law. The EIFD shall require, by recorded covenants or restrictions, that housing units built with financial assistance from the EIFD shall remain available at affordable housing costs to, and occupied by, persons and families of very low, low, or moderate income for the longest feasible time, but for not less than 55 years for rental units and 45 years for owner-occupied units and that any in-lieu fees paid for off-site housing shall have similar covenants and restrictions.
4. Parking. Parking (which may be publicly- or privately-owned) that directly serves other Facilities (including, but not limited to, affordable housing and childcare facilities). To the extent that only a portion of the parking directly serves other Facilities, then the costs of the parking that may be financed by the EIFD shall be calculated based on the square footage of the parking that directly serves other Facilities.
5. Childcare Facilities.
6. Rideshare improvements, including without limitation, improvements under the Transportation Demand Management Plan.
7. TDM Measures, as defined in the Transportation Demand Management Plan.
8. The demolition, abatement, stabilization and/or rehabilitation of existing structures necessary to enable development of the Projects. For the avoidance of doubt, because demolition, abatement, stabilization and/or rehabilitation of the existing improvements is a prerequisite to the construction and delivery of the Projects, including the creation of housing that funds the affordable housing (in-lieu or constructed) and the Facilities, all such activities and associated costs shall be considered as a cost of the Facilities.
9. Contributions for the construction of any required tenant improvements of the Walnut Child Care Parcel and associated parking, as defined in the Development Agreement, or any other community facilities located at or near the Project.

10. Subject to the provisions of the EIFD Acquisition and Financing Agreement (including, but not limited to, Section 6.4), the 3700 California Affordable Housing In-Lieu Fees used to construct housing units in accordance with this IFP and the EIFD Law. The EIFD shall require, by recorded covenants or restrictions, that housing units built with financial assistance from the EIFD shall remain available at affordable housing costs to, and occupied by, persons and families of very low, low, or moderate income for the longest feasible time, but for not less than 55 years for rental units and 45 years for owner-occupied units.
11. To the extent they are used to pay Actual Costs of Qualified EIFD Improvements, and subject to the provisions of the EIFD Acquisition and Financing Agreement (including, but not limited to, Section 6.4), the Jobs Housing Linkage Fee, the AWSS Community Benefit Fee, fees imposed by the City on the Projects after EIFD formation and fees imposed by the City on the Projects prior to EIFD formation that are modified by the City after EIFD formation.

In the event of a conflict or ambiguity between this Exhibit C and Exhibit A of the Resolution of Intention, this Exhibit C shall control.

OTHER EXPENSES

The EIFD may also finance any of the following:

1. Costs described in Government Code Sections 53398.53, 53398.56, 53398.57 and 53398.58, including, but not limited to, the reimbursement for any costs advanced to file and prosecute an action or proceeding pursuant Government Code Sections 53398.57 and 53398.58.
2. Costs incurred in connection with the division of taxes pursuant to Government Code Section 53398.75.
3. Expenses related to bonds and other debt of the EIFD, including underwriters' discount, reserve fund, capitalized interest, letter of credit fees and expenses, bond and disclosure counsel fees and expenses, bond remarketing costs, and all other incidental expenses.
4. Administrative fees of the City, the EIFD and the bond trustee or fiscal agent related to the bonds and other debt of the EIFD.
5. Reimbursement of costs related to the formation of the EIFD (and any Project Areas) advanced by the City, the landowner(s) in the EIFD, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City, the landowner(s) in the EIFD or any party related to any of the foregoing, for Facilities, fees or other purposes or costs of the EIFD.
6. Costs otherwise incurred in order to carry out the authorized purposes of the EIFD; and any other expenses incidental (including administrative and legal costs) to the EIFD and to the Project construction, expansion, improvement, seismic retrofit, rehabilitation, completion, inspection, or acquisition of the Facilities.

Exhibit D - Annual Estimates of Tax Increment to be Allocated to the EIFD

Exhibit D-1. Project Area 1: Projected Annual Incremental Assessed Property Value and Tax Revenues Allocated to EIFD

Aggregate - Project Area 1					
Fiscal Year	Estimated Incremental Assessed Value (\$000)	Gross Tax Increment (1% Incremental Assessed Value) (\$000)	City Share of Increment (64.588206%) (\$000)	Allocated Tax Revenue (58.252419% of City Share of Increment) (\$000)	Conditional Tax Revenue Available for Bond DS If Necessary (41.747581% of City Share of Increment)
(Commencement Yr.)					
2026/27	\$883	\$9	\$6	\$0	\$0
2027/28	\$1,783	\$18	\$12	\$0	\$0
2028/29	\$2,701	\$27	\$17	\$0	\$0
2029/30	\$3,638	\$36	\$23	\$0	\$0
2030/31	\$347,959	\$3,480	\$2,247	\$1,309	\$938
2031/32	\$356,062	\$3,561	\$2,300	\$1,340	\$960
2032/33	\$364,333	\$3,643	\$2,353	\$1,371	\$982
2033/34	\$372,774	\$3,728	\$2,408	\$1,403	\$1,005
2034/35	\$381,390	\$3,814	\$2,463	\$1,435	\$1,028
2035/36	\$390,184	\$3,902	\$2,520	\$1,468	\$1,052
2036/37	\$399,160	\$3,992	\$2,578	\$1,502	\$1,076
2037/38	\$408,322	\$4,083	\$2,637	\$1,536	\$1,101
2038/39	\$417,672	\$4,177	\$2,698	\$1,571	\$1,126
2039/40	\$427,216	\$4,272	\$2,759	\$1,607	\$1,152
2040/41	\$436,957	\$4,370	\$2,822	\$1,644	\$1,178
2041/42	\$446,900	\$4,469	\$2,886	\$1,681	\$1,205
2042/43	\$457,047	\$4,570	\$2,952	\$1,720	\$1,232
2043/44	\$467,405	\$4,674	\$3,019	\$1,759	\$1,260
2044/45	\$477,977	\$4,780	\$3,087	\$1,798	\$1,289
2045/46	\$488,767	\$4,888	\$3,157	\$1,839	\$1,318
2046/47	\$499,780	\$4,998	\$3,228	\$1,880	\$1,348
2047/48	\$511,021	\$5,110	\$3,301	\$1,923	\$1,378
2048/49	\$522,494	\$5,225	\$3,375	\$1,966	\$1,409
2049/50	\$534,204	\$5,342	\$3,450	\$2,010	\$1,440
2050/51	\$546,156	\$5,462	\$3,528	\$2,055	\$1,473
2051/52	\$558,356	\$5,584	\$3,606	\$2,101	\$1,506
2052/53	\$570,807	\$5,708	\$3,687	\$2,148	\$1,539
2053/54	\$583,516	\$5,835	\$3,769	\$2,195	\$1,573
2054/55	\$596,487	\$5,965	\$3,853	\$2,244	\$1,608
2055/56	\$609,726	\$6,097	\$3,938	\$2,294	\$1,644
2056/57	\$623,239	\$6,232	\$4,025	\$2,345	\$1,681
2057/58	\$637,031	\$6,370	\$4,114	\$2,397	\$1,718
2058/59	\$651,109	\$6,511	\$4,205	\$2,450	\$1,756
2059/60	\$665,477	\$6,655	\$4,298	\$2,504	\$1,794
2060/61	\$680,142	\$6,801	\$4,393	\$2,559	\$1,834
2061/62	\$695,110	\$6,951	\$4,490	\$2,615	\$1,874
2062/63	\$710,388	\$7,104	\$4,588	\$2,673	\$1,915
2063/64	\$725,981	\$7,260	\$4,689	\$2,731	\$1,958
2064/65	\$741,897	\$7,419	\$4,792	\$2,791	\$2,000
2065/66	\$758,142	\$7,581	\$4,897	\$2,852	\$2,044
2066/67	\$774,722	\$7,747	\$5,004	\$2,915	\$2,089
2067/68	\$791,645	\$7,916	\$5,113	\$2,978	\$2,135
2068/69	\$808,917	\$8,089	\$5,225	\$3,043	\$2,181
2069/70	\$826,547	\$8,265	\$5,339	\$3,110	\$2,229
2070/71	\$844,541	\$8,445	\$5,455	\$3,178	\$2,277
2071/72	\$862,907	\$8,629	\$5,573	\$3,247	\$2,327
2072/73	\$881,652	\$8,817	\$5,694	\$3,317	\$2,377
2073/74	\$900,785	\$9,008	\$5,818	\$3,389	\$2,429
2074/75	\$920,313	\$9,203	\$5,944	\$3,463	\$2,482
Cumulative Total, EIFD	\$920,313	\$266,822	\$172,336	\$100,356	\$71,922

Administrative Fees are projected at a district-wide level in Table 7. The Commencement Date for the allocation of Allocated Tax Revenue and Conditional Tax Revenue shall be the first day of the fiscal year in which the Project Area produces at least \$100,000 of Allocated Tax Revenue in such fiscal year.

Exhibit D-2. Project Area 2: Projected Annual Incremental Assessed Property Value and Tax Revenues Allocated to EIFD

Aggregate - Project Area 2					
Fiscal Year	Estimated Incremental Assessed Value (\$000)	Gross Tax Increment (1% Incremental Assessed Value) (\$000)	City Share of Increment (64.588206%) (\$000)	Allocated Tax Revenue (58.252419% of City Share of Increment) (\$000)	Conditional Tax Revenue Available for Bond DS If Necessary (41.747581% of City Share of Increment)
<i>(Commencement Yr.)</i>					
2026/27	\$846	\$8	\$5	\$0	\$0
2027/28	\$1,708	\$17	\$11	\$0	\$0
2028/29	\$2,588	\$26	\$17	\$0	\$0
2029/30	\$3,485	\$35	\$23	\$0	\$0
2030/31	\$4,400	\$44	\$28	\$0	\$0
2031/32	\$280,805	\$2,808	\$1,814	\$1,057	\$757
2032/33	\$287,482	\$2,875	\$1,857	\$1,082	\$775
2033/34	\$294,297	\$2,943	\$1,901	\$1,107	\$794
2034/35	\$301,252	\$3,013	\$1,946	\$1,133	\$812
2035/36	\$308,352	\$3,084	\$1,992	\$1,160	\$831
2036/37	\$315,598	\$3,156	\$2,038	\$1,187	\$851
2037/38	\$322,994	\$3,230	\$2,086	\$1,215	\$871
2038/39	\$330,543	\$3,305	\$2,135	\$1,244	\$891
2039/40	\$338,248	\$3,382	\$2,185	\$1,273	\$912
2040/41	\$346,112	\$3,461	\$2,235	\$1,302	\$933
2041/42	\$354,139	\$3,541	\$2,287	\$1,332	\$955
2042/43	\$362,332	\$3,623	\$2,340	\$1,363	\$977
2043/44	\$370,693	\$3,707	\$2,394	\$1,395	\$1,000
2044/45	\$379,228	\$3,792	\$2,449	\$1,427	\$1,023
2045/46	\$387,939	\$3,879	\$2,506	\$1,460	\$1,046
2046/47	\$396,830	\$3,968	\$2,563	\$1,493	\$1,070
2047/48	\$405,905	\$4,059	\$2,622	\$1,527	\$1,094
2048/49	\$415,168	\$4,152	\$2,681	\$1,562	\$1,119
2049/50	\$424,621	\$4,246	\$2,743	\$1,598	\$1,145
2050/51	\$434,271	\$4,343	\$2,805	\$1,634	\$1,171
2051/52	\$444,119	\$4,441	\$2,868	\$1,671	\$1,198
2052/53	\$454,171	\$4,542	\$2,933	\$1,709	\$1,225
2053/54	\$464,431	\$4,644	\$3,000	\$1,747	\$1,252
2054/55	\$474,903	\$4,749	\$3,067	\$1,787	\$1,281
2055/56	\$485,591	\$4,856	\$3,136	\$1,827	\$1,309
2056/57	\$496,501	\$4,965	\$3,207	\$1,868	\$1,339
2057/58	\$507,635	\$5,076	\$3,279	\$1,910	\$1,369
2058/59	\$519,000	\$5,190	\$3,352	\$1,953	\$1,399
2059/60	\$530,600	\$5,306	\$3,427	\$1,996	\$1,431
2060/61	\$542,439	\$5,424	\$3,504	\$2,041	\$1,463
2061/62	\$554,523	\$5,545	\$3,582	\$2,086	\$1,495
2062/63	\$566,857	\$5,669	\$3,661	\$2,133	\$1,528
2063/64	\$579,446	\$5,794	\$3,743	\$2,180	\$1,562
2064/65	\$592,295	\$5,923	\$3,826	\$2,228	\$1,597
2065/66	\$605,409	\$6,054	\$3,910	\$2,278	\$1,632
2066/67	\$618,795	\$6,188	\$3,997	\$2,328	\$1,669
2067/68	\$632,457	\$6,325	\$4,085	\$2,380	\$1,705
2068/69	\$646,401	\$6,464	\$4,175	\$2,432	\$1,743
2069/70	\$660,634	\$6,606	\$4,267	\$2,486	\$1,781
2070/71	\$675,161	\$6,752	\$4,361	\$2,540	\$1,821
2071/72	\$689,988	\$6,900	\$4,457	\$2,596	\$1,860
2072/73	\$705,121	\$7,051	\$4,554	\$2,653	\$1,901
2073/74	\$720,568	\$7,206	\$4,654	\$2,711	\$1,943
2074/75	\$736,333	\$7,363	\$4,756	\$2,770	\$1,985
2075/76	\$752,424	\$7,524	\$4,860	\$2,831	\$2,029
2076/77	\$0	\$0	\$0	\$0	\$0
Cumulative Total, EIFD	\$752,424	\$217,256	\$140,322	\$81,692	\$58,546

Administrative Fees are projected at a district-wide level in Table 7. The Commencement Date for the allocation of Allocated Tax Revenue and Conditional Tax Revenue shall be the first day of the fiscal year in which the Project Area produces at least \$100,000 of Allocated Tax Revenue in such fiscal year.

Exhibit D-3. Project Area 3: Projected Annual Incremental Assessed Property Value and Tax Revenues Allocated to EIFD

Aggregate - Project Area 3					
Fiscal Year	Estimated Incremental Assessed Value (\$000)	Gross Tax Increment (1% Incremental Assessed Value) (\$000)	City Share of Increment (64.588206%) (\$000)	Allocated Tax Revenue (58.252419% of City Share of Increment) (\$000)	Conditional Tax Revenue Available for Bond DS If Necessary (41.747581% of City Share of Increment)
(Commencement Yr.)					
2026/27	\$402	\$4	\$3	\$0	\$0
2027/28	\$811	\$8	\$5	\$0	\$0
2028/29	\$1,229	\$12	\$8	\$0	\$0
2029/30	\$1,656	\$17	\$11	\$0	\$0
2030/31	\$2,090	\$21	\$14	\$0	\$0
2031/32	\$2,534	\$25	\$16	\$0	\$0
2032/33	\$288,088	\$2,881	\$1,861	\$1,084	\$777
2033/34	\$294,457	\$2,945	\$1,902	\$1,108	\$794
2034/35	\$300,957	\$3,010	\$1,944	\$1,132	\$812
2035/36	\$307,592	\$3,076	\$1,987	\$1,157	\$829
2036/37	\$314,364	\$3,144	\$2,030	\$1,183	\$848
2037/38	\$321,276	\$3,213	\$2,075	\$1,209	\$866
2038/39	\$328,331	\$3,283	\$2,121	\$1,235	\$885
2039/40	\$335,531	\$3,355	\$2,167	\$1,262	\$905
2040/41	\$342,881	\$3,429	\$2,215	\$1,290	\$925
2041/42	\$350,382	\$3,504	\$2,263	\$1,318	\$945
2042/43	\$358,038	\$3,580	\$2,313	\$1,347	\$965
2043/44	\$365,853	\$3,659	\$2,363	\$1,376	\$986
2044/45	\$373,829	\$3,738	\$2,414	\$1,407	\$1,008
2045/46	\$381,970	\$3,820	\$2,467	\$1,437	\$1,030
2046/47	\$390,279	\$3,903	\$2,521	\$1,468	\$1,052
2047/48	\$398,760	\$3,988	\$2,576	\$1,500	\$1,075
2048/49	\$407,416	\$4,074	\$2,631	\$1,533	\$1,099
2049/50	\$416,251	\$4,163	\$2,688	\$1,566	\$1,122
2050/51	\$425,268	\$4,253	\$2,747	\$1,600	\$1,147
2051/52	\$434,472	\$4,345	\$2,806	\$1,635	\$1,172
2052/53	\$443,866	\$4,439	\$2,867	\$1,670	\$1,197
2053/54	\$453,455	\$4,535	\$2,929	\$1,706	\$1,223
2054/55	\$463,241	\$4,632	\$2,992	\$1,743	\$1,249
2055/56	\$473,230	\$4,732	\$3,057	\$1,780	\$1,276
2056/57	\$483,425	\$4,834	\$3,122	\$1,819	\$1,304
2057/58	\$493,831	\$4,938	\$3,190	\$1,858	\$1,332
2058/59	\$504,452	\$5,045	\$3,258	\$1,898	\$1,360
2059/60	\$515,292	\$5,153	\$3,328	\$1,939	\$1,389
2060/61	\$526,356	\$5,264	\$3,400	\$1,980	\$1,419
2061/62	\$537,650	\$5,376	\$3,473	\$2,023	\$1,450
2062/63	\$549,176	\$5,492	\$3,547	\$2,066	\$1,481
2063/64	\$560,941	\$5,609	\$3,623	\$2,110	\$1,513
2064/65	\$572,949	\$5,729	\$3,701	\$2,156	\$1,545
2065/66	\$585,205	\$5,852	\$3,780	\$2,202	\$1,578
2066/67	\$597,714	\$5,977	\$3,861	\$2,249	\$1,612
2067/68	\$610,482	\$6,105	\$3,943	\$2,297	\$1,646
2068/69	\$623,513	\$6,235	\$4,027	\$2,346	\$1,681
2069/70	\$636,814	\$6,368	\$4,113	\$2,396	\$1,717
2070/71	\$650,390	\$6,504	\$4,201	\$2,447	\$1,754
2071/72	\$664,247	\$6,642	\$4,290	\$2,499	\$1,791
2072/73	\$678,389	\$6,784	\$4,382	\$2,552	\$1,829
2073/74	\$692,825	\$6,928	\$4,475	\$2,607	\$1,868
2074/75	\$707,558	\$7,076	\$4,570	\$2,662	\$1,908
2075/76	\$722,596	\$7,226	\$4,667	\$2,719	\$1,948
2076/77	\$737,945	\$7,379	\$4,766	\$2,776	\$1,990
Cumulative Total, EIFD	\$737,945	\$216,303	\$139,706	\$81,349	\$58,300

Administrative Fees are projected at a district-wide level in Table 7. The Commencement Date for the allocation of Allocated Tax Revenue and Conditional Tax Revenue shall be the first day of the fiscal year in which the Project Area produces at least \$100,000 of Allocated Tax Revenue in such fiscal year.

Exhibit D-4. Project Area 4: Projected Annual Incremental Assessed Property Value and Tax Revenues Allocated to EIFD

Aggregate - Project Area 4					
Fiscal Year	Estimated Incremental Assessed Value (\$000)	Gross Tax Increment (1% Incremental Assessed Value) (\$000)	City Share of Increment (64.588206%) (\$000)	Allocated Tax Revenue (58.252419% of City Share of Increment) (\$000)	Conditional Tax Revenue Available for Bond DS If Necessary (41.747581% of City Share of Increment)
<i>(Commencement Yr.)</i>					
2026/27	\$189	\$2	\$1	\$0	\$0
2027/28	\$381	\$4	\$2	\$0	\$0
2028/29	\$578	\$6	\$4	\$0	\$0
2029/30	\$778	\$8	\$5	\$0	\$0
2030/31	\$75,932	\$759	\$490	\$286	\$205
2031/32	\$77,696	\$777	\$502	\$292	\$210
2032/33	\$79,497	\$795	\$513	\$299	\$214
2033/34	\$81,335	\$813	\$525	\$306	\$219
2034/35	\$83,211	\$832	\$537	\$313	\$224
2035/36	\$85,126	\$851	\$550	\$320	\$230
2036/37	\$87,080	\$871	\$562	\$328	\$235
2037/38	\$89,075	\$891	\$575	\$335	\$240
2038/39	\$91,111	\$911	\$588	\$343	\$246
2039/40	\$93,189	\$932	\$602	\$351	\$251
2040/41	\$95,309	\$953	\$616	\$359	\$257
2041/42	\$97,474	\$975	\$630	\$367	\$263
2042/43	\$99,684	\$997	\$644	\$375	\$269
2043/44	\$101,939	\$1,019	\$658	\$384	\$275
2044/45	\$104,241	\$1,042	\$673	\$392	\$281
2045/46	\$106,590	\$1,066	\$688	\$401	\$287
2046/47	\$108,988	\$1,090	\$704	\$410	\$294
2047/48	\$111,435	\$1,114	\$720	\$419	\$300
2048/49	\$113,933	\$1,139	\$736	\$429	\$307
2049/50	\$116,483	\$1,165	\$752	\$438	\$314
2050/51	\$119,085	\$1,191	\$769	\$448	\$321
2051/52	\$121,741	\$1,217	\$786	\$458	\$328
2052/53	\$124,452	\$1,245	\$804	\$468	\$336
2053/54	\$127,219	\$1,272	\$822	\$479	\$343
2054/55	\$130,044	\$1,300	\$840	\$489	\$351
2055/56	\$132,926	\$1,329	\$859	\$500	\$358
2056/57	\$135,868	\$1,359	\$878	\$511	\$366
2057/58	\$138,871	\$1,389	\$897	\$522	\$374
2058/59	\$141,936	\$1,419	\$917	\$534	\$383
2059/60	\$145,065	\$1,451	\$937	\$546	\$391
2060/61	\$148,258	\$1,483	\$958	\$558	\$400
2061/62	\$151,517	\$1,515	\$979	\$570	\$409
2062/63	\$154,843	\$1,548	\$1,000	\$583	\$418
2063/64	\$158,238	\$1,582	\$1,022	\$595	\$427
2064/65	\$161,704	\$1,617	\$1,044	\$608	\$436
2065/66	\$165,240	\$1,652	\$1,067	\$622	\$446
2066/67	\$168,850	\$1,689	\$1,091	\$635	\$455
2067/68	\$172,535	\$1,725	\$1,114	\$649	\$465
2068/69	\$176,296	\$1,763	\$1,139	\$663	\$475
2069/70	\$180,134	\$1,801	\$1,163	\$678	\$486
2070/71	\$184,052	\$1,841	\$1,189	\$692	\$496
2071/72	\$188,051	\$1,881	\$1,215	\$708	\$507
2072/73	\$192,132	\$1,921	\$1,241	\$723	\$518
2073/74	\$196,298	\$1,963	\$1,268	\$739	\$529
2074/75	\$200,550	\$2,005	\$1,295	\$755	\$541
2075/76	\$0	\$0	\$0	\$0	\$0
2076/77	\$0	\$0	\$0	\$0	\$0
Cumulative Total, EIFD	\$200,550	\$58,172	\$37,572	\$21,879	\$15,680

Administrative Fees are projected at a district-wide level in Table 7. The Commencement Date for the allocation of Allocated Tax Revenue and Conditional Tax Revenue shall be the first day of the fiscal year in which the Project Area produces at least \$100,000 of Allocated Tax Revenue in such fiscal year.

Exhibit D-5. Project Area 5: Projected Annual Incremental Assessed Property Value and Tax Revenues Allocated to EIFD

Aggregate - Project Area 5					
Fiscal Year	Estimated Incremental Assessed Value (\$000)	Gross Tax Increment (1% Incremental Assessed Value) (\$000)	City Share of Increment (64.588206%) (\$000)	Allocated Tax Revenue (58.252419% of City Share of Increment) (\$000)	Conditional Tax Revenue Available for Bond DS If Necessary (41.747581% of City Share of Increment)
(Commencement Yr.)					
2026/27	\$593	\$6	\$4	\$0	\$0
2027/28	\$1,199	\$12	\$8	\$0	\$0
2028/29	\$1,816	\$18	\$12	\$0	\$0
2029/30	\$391,504	\$3,915	\$2,529	\$1,473	\$1,056
2030/31	\$400,208	\$4,002	\$2,585	\$1,506	\$1,079
2031/32	\$409,092	\$4,091	\$2,642	\$1,539	\$1,103
2032/33	\$418,160	\$4,182	\$2,701	\$1,573	\$1,128
2033/34	\$427,415	\$4,274	\$2,761	\$1,608	\$1,152
2034/35	\$436,862	\$4,369	\$2,822	\$1,644	\$1,178
2035/36	\$446,504	\$4,465	\$2,884	\$1,680	\$1,204
2036/37	\$456,345	\$4,563	\$2,947	\$1,717	\$1,230
2037/38	\$466,389	\$4,664	\$3,012	\$1,755	\$1,258
2038/39	\$476,641	\$4,766	\$3,079	\$1,793	\$1,285
2039/40	\$487,105	\$4,871	\$3,146	\$1,833	\$1,313
2040/41	\$497,785	\$4,978	\$3,215	\$1,873	\$1,342
2041/42	\$508,685	\$5,087	\$3,286	\$1,914	\$1,372
2042/43	\$519,812	\$5,198	\$3,357	\$1,956	\$1,402
2043/44	\$531,168	\$5,312	\$3,431	\$1,998	\$1,432
2044/45	\$542,758	\$5,428	\$3,506	\$2,042	\$1,463
2045/46	\$554,588	\$5,546	\$3,582	\$2,087	\$1,495
2046/47	\$566,663	\$5,667	\$3,660	\$2,132	\$1,528
2047/48	\$578,987	\$5,790	\$3,740	\$2,178	\$1,561
2048/49	\$591,566	\$5,916	\$3,821	\$2,226	\$1,595
2049/50	\$604,405	\$6,044	\$3,904	\$2,274	\$1,630
2050/51	\$617,510	\$6,175	\$3,988	\$2,323	\$1,665
2051/52	\$630,885	\$6,309	\$4,075	\$2,374	\$1,701
2052/53	\$644,536	\$6,445	\$4,163	\$2,425	\$1,738
2053/54	\$658,470	\$6,585	\$4,253	\$2,477	\$1,775
2054/55	\$672,691	\$6,727	\$4,345	\$2,531	\$1,814
2055/56	\$687,207	\$6,872	\$4,439	\$2,586	\$1,853
2056/57	\$702,022	\$7,020	\$4,534	\$2,641	\$1,893
2057/58	\$717,144	\$7,171	\$4,632	\$2,698	\$1,934
2058/59	\$732,578	\$7,326	\$4,732	\$2,756	\$1,975
2059/60	\$748,332	\$7,483	\$4,833	\$2,816	\$2,018
2060/61	\$764,410	\$7,644	\$4,937	\$2,876	\$2,061
2061/62	\$780,821	\$7,808	\$5,043	\$2,938	\$2,105
2062/63	\$797,572	\$7,976	\$5,151	\$3,001	\$2,151
2063/64	\$814,668	\$8,147	\$5,262	\$3,065	\$2,197
2064/65	\$832,118	\$8,321	\$5,374	\$3,131	\$2,244
2065/66	\$849,928	\$8,499	\$5,490	\$3,198	\$2,292
2066/67	\$868,106	\$8,681	\$5,607	\$3,266	\$2,341
2067/68	\$886,660	\$8,867	\$5,727	\$3,336	\$2,391
2068/69	\$905,598	\$9,056	\$5,849	\$3,407	\$2,442
2069/70	\$924,927	\$9,249	\$5,974	\$3,480	\$2,494
2070/71	\$944,655	\$9,447	\$6,101	\$3,554	\$2,547
2071/72	\$964,791	\$9,648	\$6,231	\$3,630	\$2,601
2072/73	\$985,344	\$9,853	\$6,364	\$3,707	\$2,657
2073-74	\$1,006,321	\$10,163	\$6,500	\$3,786	\$2,713
2074/75	\$0	\$0	\$0	\$0	\$0
2075/76	\$0	\$0	\$0	\$0	\$0
2076/77	\$0	\$0	\$0	\$0	\$0
Cumulative Total, EIFD	\$1,006,321	\$294,535	\$190,235	\$110,803	\$79,409

Administrative Fees are projected at a district-wide level in Table 7. The Commencement Date for the allocation of Allocated Tax Revenue and Conditional Tax Revenue shall be the first day of the fiscal year in which the Project Area produces at least \$100,000 of Allocated Tax Revenue in such fiscal year.

Exhibit D-6. Project Area 6: Projected Annual Incremental Assessed Property Value and Tax Revenues Allocated to EIFD

Aggregate - Project Area 6					
Fiscal Year <i>(Commencement Yr.)</i>	Estimated Incremental Assessed Value (\$000)	Gross Tax Increment (1% Incremental Assessed Value) (\$000)	City Share of Increment (64.588206%) (\$000)	Allocated Tax Revenue (58.252419% of City Share of Increment) (\$000)	Conditional Tax Revenue Available for Bond DS If Necessary (41.747581% of City Share of Increment)
2026/27	\$200	\$2	\$1	\$0	\$0
2027/28	\$405	\$4	\$3	\$0	\$0
2028/29	\$614	\$6	\$4	\$0	\$0
2029/30	\$291,656	\$2,917	\$1,884	\$1,097	\$786
2030/31	\$297,891	\$2,979	\$1,924	\$1,121	\$803
2031/32	\$304,254	\$3,043	\$1,965	\$1,145	\$820
2032/33	\$310,749	\$3,107	\$2,007	\$1,169	\$838
2033/34	\$317,379	\$3,174	\$2,050	\$1,194	\$856
2034/35	\$324,145	\$3,241	\$2,094	\$1,220	\$874
2035/36	\$331,051	\$3,311	\$2,138	\$1,246	\$893
2036/37	\$338,100	\$3,381	\$2,184	\$1,272	\$912
2037/38	\$345,294	\$3,453	\$2,230	\$1,299	\$931
2038/39	\$352,638	\$3,526	\$2,278	\$1,327	\$951
2039/40	\$360,133	\$3,601	\$2,326	\$1,355	\$971
2040/41	\$367,783	\$3,678	\$2,375	\$1,384	\$992
2041/42	\$375,591	\$3,756	\$2,426	\$1,413	\$1,013
2042/43	\$383,560	\$3,836	\$2,477	\$1,443	\$1,034
2043/44	\$391,694	\$3,917	\$2,530	\$1,474	\$1,056
2044/45	\$399,996	\$4,000	\$2,584	\$1,505	\$1,079
2045/46	\$408,470	\$4,085	\$2,638	\$1,537	\$1,101
2046/47	\$417,119	\$4,171	\$2,694	\$1,569	\$1,125
2047/48	\$425,947	\$4,259	\$2,751	\$1,603	\$1,149
2048/49	\$434,957	\$4,350	\$2,809	\$1,636	\$1,173
2049/50	\$444,153	\$4,442	\$2,869	\$1,671	\$1,198
2050/51	\$453,539	\$4,535	\$2,929	\$1,706	\$1,223
2051/52	\$463,120	\$4,631	\$2,991	\$1,742	\$1,249
2052/53	\$472,898	\$4,729	\$3,054	\$1,779	\$1,275
2053/54	\$482,878	\$4,829	\$3,119	\$1,817	\$1,302
2054/55	\$493,065	\$4,931	\$3,185	\$1,855	\$1,330
2055/56	\$503,462	\$5,035	\$3,252	\$1,894	\$1,358
2056/57	\$514,074	\$5,141	\$3,320	\$1,934	\$1,386
2057/58	\$524,905	\$5,249	\$3,390	\$1,975	\$1,415
2058/59	\$535,961	\$5,360	\$3,462	\$2,017	\$1,445
2059/60	\$547,244	\$5,472	\$3,535	\$2,059	\$1,476
2060/61	\$558,761	\$5,588	\$3,609	\$2,102	\$1,507
2061/62	\$570,516	\$5,705	\$3,685	\$2,147	\$1,538
2062/63	\$582,514	\$5,825	\$3,762	\$2,192	\$1,571
2063/64	\$594,760	\$5,948	\$3,841	\$2,238	\$1,604
2064/65	\$607,259	\$6,073	\$3,922	\$2,285	\$1,637
2065/66	\$620,016	\$6,200	\$4,005	\$2,333	\$1,672
2066/67	\$633,037	\$6,330	\$4,089	\$2,382	\$1,707
2067/68	\$646,327	\$6,463	\$4,175	\$2,432	\$1,743
2068/69	\$659,891	\$6,599	\$4,262	\$2,483	\$1,779
2069/70	\$673,736	\$6,737	\$4,352	\$2,535	\$1,817
2070/71	\$687,867	\$6,879	\$4,443	\$2,588	\$1,855
2071/72	\$702,290	\$7,023	\$4,536	\$2,642	\$1,894
2072/73	\$717,011	\$7,170	\$4,631	\$2,698	\$1,933
2073/74	\$732,037	\$7,320	\$4,728	\$2,754	\$1,974
2074/75	\$0	\$0	\$0	\$0	\$0
2075/76	\$0	\$0	\$0	\$0	\$0
2076/77	\$0	\$0	\$0	\$0	\$0
Cumulative Total, EIFD	\$732,037	\$216,009	\$139,517	\$81,267	\$58,242

Administrative Fees are projected at a district-wide level in Table 8. The Commencement Date for the allocation of Allocated Tax Revenue and Conditional Tax Revenue shall be the first day of the fiscal year in which the Project Area produces at least \$100,000 of Allocated Tax Revenue in such fiscal year.

Exhibit E -3333/3700 California Street Fiscal Impact Analysis

Report

3333/3700 California St Fiscal Impact Analysis

The Economics of Land Use



Prepared for Use by:
City and County of San Francisco

Prepared by:
Economic & Planning Systems, Inc.

August 14, 2025

*Economic & Planning Systems, Inc.
1330 Broadway
Suite 450
Oakland, CA 94612
510 841 9190 tel*

*Oakland
Sacramento
Denver
Los Angeles*

www.epsys.com

EPS #231038

Introduction

This report describes the methodology and results of the Fiscal Impact Analysis (FIA) of the redevelopment of 3333 and 3700 California Street on the City and County of San Francisco's (CCSF) General Fund budget. The project at 3333 California Street (3333) is the redevelopment of the University of California San Francisco Laurel Heights campus, and the project at 3700 California Street (3700) is the redevelopment of the former California Pacific Medical Center. Economic & Planning Systems, Inc. (EPS) prepared this FIA under contract with Prado Group, Inc., the Project Sponsor. CCSF staff requested the FIA to satisfy the requirements of EIFD Law. Section 53398.63 of the EIFD Law requires that an Infrastructure Financing Plan be prepared that contains the following:

- An analysis of the projected fiscal impact of the district and the associated development upon each affected taxing entity; and
- An analysis of the cost to the city or county of providing facilities and services to the area of the district while the area is being developed and after the area is developed. The plan shall also include an analysis of the tax, fee, charge, and other revenues expected to be received by the city or county as a result of expected development in the area of the district.

Collectively, the redevelopment of 3333 and 3700 California streets are referred to throughout this memorandum as the "Project." As shown in **Summary Table 1**, the proposed Project envisions 1,274 residential dwelling units, approximately 38,100 square feet of retail, and 14,000 square feet of childcare space. The residential program at 3333 will include 125 units of affordable senior housing, while the residential program at 3700 will include 232 units of luxury senior continuum of care housing. The remainder of the housing program is market rate rental apartments.

Summary Table 1: 3333/3700 California St. Redevelopment Program Summary

Item	3333 California St	3700 California St	Total
<u>Commercial Uses</u>			
General Retail	38,094 Sq.Ft.	0 Sq.Ft.	38,094 Sq.Ft.
Childcare	<u>13,933</u> Sq.Ft.	<u>0</u> Sq.Ft.	<u>13,933</u> Sq.Ft.
Commercial Subtotal	52,027 Sq.Ft.	0 Sq.Ft.	52,027 Sq.Ft.
<u>Residential Uses</u>			
Market-Rate Rental			
Jr	44 Units	13 Units	57 Units
1BR	241 Units	98 Units	339 Units
2BR	257 Units	127 Units	384 Units
3BR	61 Units	41 Units	102 Units
4BR	<u>16</u> Units	<u>19</u> Units	<u>35</u> Units
Subtotal	619 Units	298 Units	917 Units
Market-Rate Rental (Senior Continuum of Care)			
Memory Care Jr		24 Units	24 Units
Memory Care 1BR		2 Units	2 Units
Assisted Living Jr		15 Units	15 Units
Assisted Living 1BR		22 Units	22 Units
Assisted Living 2BR		12 Units	12 Units
Independent Living Jr		9 Units	9 Units
Independent Living 1BR		90 Units	90 Units
Independent Living 2BR		<u>58</u> Units	58 Units
Subtotal		232 Units	232 Units
Affordable Rental (Senior) (1)			
Affordable Rental	94 Units		94 Units
Affordable Rental (Special Needs)	<u>31</u> Units		<u>31</u> Units
Subtotal	125 Units		125 Units
Residential Subtotal	744 Units	530 Units	1,274 Units

(1) Distribution of affordable units by income category may vary based on the availability of public funding sources, including grants and tax credits, for affordable housing at the time of development.

Source: Prado Group, Inc.

This FIA evaluates the Project at the development's approximate midpoint as well as upon completion and full stabilization ("buildout"). The analysis quantifies net redevelopment effects on the City's General Fund and reflects data from sources including the City and County of San Francisco (CCSF) Fiscal Year 2024/25 Adopted Operating Budget, Project Environmental Impact Report, and market assumptions provided by Prado Group.

The following **Key Findings** highlight the Project's net fiscal impact, accounting for the current impacts of the existing development. Actual fiscal impacts will depend on a variety of factors that cannot be predicted with certainty, including future changes in City or State budgeting practices, the efficiency of various CCSF departments in providing services, and other factors. The analysis presents impact estimates in constant 2025 dollars.

Key Findings

- At buildout, with approximately 58 percent of the incremental property tax generated by the Project diverted to an EIFD to help fund eligible infrastructure, the Project will generate an ongoing annual net fiscal benefit of approximately \$1.7 million to CCSF's General Fund and MTA Fund.**

This annual General Fund surplus represents the net impact associated with increased tax revenues, after municipal service costs, and will be available to fund additional and improved services elsewhere in the City. The largest revenue source is property tax, which accounts for 42 percent of net new General Fund revenue (before mandated General Fund requirements). The increase in property tax revenue is directly attributable to the incremental assessed value on the CCSF tax roll. **Summary Table 2** presents the results with the proposed EIFD framework, broken out by fund.

Summary Table 2: Summary of Annual Fiscal Impact at Buildout without EIFD (2025\$)

Revenue / Expense Category	Phase 1	Phase 2	Buildout
<u>General Fund</u>			
Annual General Fund Revenues	\$6,003,000	\$3,470,000	\$9,473,000
(Less) General Fund Baseline Requirements	<u>(\$1,721,000)</u>	<u>(\$995,000)</u>	<u>(\$2,716,000)</u>
Annual General Fund Revenues After Baseline Funding	\$4,282,000	\$2,475,000	\$6,757,000
(Less) Annual General Fund Expenditures	<u>(\$3,598,000)</u>	<u>(\$1,769,000)</u>	<u>(\$5,367,000)</u>
Net Annual Impact on General Fund	\$683,000	\$707,000	\$1,390,000
<u>MTA Fund</u>			
MTA General Fund Baseline Funding	\$575,000	\$332,000	\$907,000
(Less) MTA General Fund Expenses	<u>(\$462,000)</u>	<u>(\$140,000)</u>	<u>(\$602,000)</u>
Net Impact on MTA Fund	\$113,000	\$192,000	\$305,000
Total Fiscal Benefit Estimate	\$796,000	\$899,000	\$1,695,000

Note: Totals may not sum due to rounding.

- 2. The FIA relies on real estate valuation assumptions that are consistent with Project underwriting and are reasonably achievable when market conditions are strong enough to warrant development of the various components, but the FIA sensitivity analysis also shows that fiscal impacts on the City remain positive even when assumed values are reduced by approximately 23 percent.** A hypothetical calculation of fiscal impacts under a scenario with reduced assessed values for commercial and market rate rental properties shows that Project values can be lower without resulting in a projected net negative fiscal impact. Reducing these Project value factors downward; the fiscal impact model yields a neutral fiscal impact (including the General Fund and MTA Fund) with 23 percent reduction in the value assumptions.

Assumptions and Methodology

This section describes the methodology and calculations underlying the FIA estimates detailed in **Summary Table 2** above. The calculations are described below, and the tables are attached to this memorandum.

- **Table 1** presents the detailed fiscal impact analysis results *with* the proposed EIFD framework. The table presents fiscal impact results after a reduction of the General Fund property tax revenue and associated mandated transfers, assuming that 58 percent of the base one-percent property tax (including property tax dedicated to CCSF’s Children’s Service Fund, Library Preservation Fund, and Open Space Acquisition Fund) are devoted to a tax increment district fund for project-related infrastructure.
- **Table 2** presents the fiscal impact results of a phased program. Phases were determined by estimating the midpoint of housing development, assuming both sites are developed concurrently, using approximate construction start dates across both 3333 and 3700 California St.
- **Table 3** provides an overview of the Project program and assumptions related to new employment and calculates service population resulting from the Project.¹

Additional tables that follow detail supporting calculations for the Project with the proposed EIFD framework scenario, including both General Fund revenue calculations and General Fund cost calculations.

¹ This analysis is focused on the CCSF General Fund and relies on cost estimates for the CCSF “service population.” The service population is calculated as the number of residents plus 50% of employees, an industry-accepted approach to evaluating per capita demand for municipal services. The 50% weight applied to employees reflects their relatively lower demand for CCSF public services relative to residents.

General Fund Revenue Estimates

- **Table 4** summarizes the CCSF General Fund revenues by line item and the associated estimating factors used in this FIA to quantify new revenues from Project development. Estimating factors have previously been vetted by CCSF staff and consultants for other FIAs focused on EIFD feasibility.
- **Table 5** documents assumptions related to the projected assessed value of the site based on market assumptions provided to EPS by Prado Group, Inc. The affordable senior residential units are assumed to be owned and managed by a non-profit affordable housing operator, and are, therefore, assumed to be tax-exempt.
- **Table 6 and Table 7** show property tax and property tax in lieu of vehicle license fee (VLF) calculations, respectively. The calculations assume that the CCSF's General Fund will capture 64.59 percent of new property tax growth (calculations without the proposed EIFD framework scenario are shown here) and will allocate 58.25 percent of this tax increment revenue to an EIFD for Project infrastructure. Property tax in lieu of VLF revenue is based on the pro rata growth in CCSF assessed value attributable to the Project, over the existing Citywide assessed valuation basis.
- **Table 8** estimates property transfer tax revenue that will be generated to the CCSF General Fund. In 2024, San Francisco approved Proposition C, which amended the Business and Tax Regulations Code to waive property transfer tax for nonresidential space converted to residential use. This analysis estimates the percentage of the property's assessed value exempt during the first transfer will be equal to the percentage of square feet exempt from the first Property Transfer Tax. The analysis assumes 518,000 residential square feet at 3333 California St (56.5 percent) will be exempt from the first Property Transfer Tax and that 85 percent of the space at 3700 California St. will be exempt. The analysis focuses on the 45-year EIFD term, estimating that turnover occurs once every 20 years, and there would be approximately 2 transfers. Exemptions apply to the first property transaction.
- **Table 9** documents the assumptions and calculations supporting household taxable retail spending potential. New households support retail sales with the average expenditure expressed as a weighted sum of household taxable retail spending. The spending estimates differentiate between market rate rental households, renter households at 15 percent of Area Median Income, renter households at 30 percent of Area Median Income, renter households at 50 percent of Area Median Income, and renter households at 60 percent of Area Median Income. The Bureau of Labor Statistics Consumer Expenditure Survey tracks and reports household spending by income and those ratios are used in this analysis. The analysis assumes taxable spending generated by the Senior Rental Housing facility at 3700 California St. is de minimus due to the inclusion of onsite amenities and provision of food and therefore is not included in the household spending estimates.
- **Table 10** relies on household spending derived in **Table 9** to calculate sales tax revenue, and documents additional assumptions and calculations for employee and other on-site taxable spending. Key assumptions include:
 - 75 percent of new residential spending is captured in San Francisco, and

- 20 percent of total taxable sales are redistributed from existing sales in San Francisco, and
- 10 percent of net new on-site taxable spending is made by Project residents to avoid double counting taxable sales. While the Project will likely generate taxable business-to-business sales as well, this possible sales tax revenue could vary substantially depending on specific commercial tenants and is excluded from this analysis. CCSF's General Fund receives one percent of net-new sales (i.e., the local Bradley-Burns Sales and Use Tax).
- **Table 11** estimates gross receipts tax (GRT) revenue. The FIA relies on annual gross revenue generated per employee for unique business categories and average employment per firm to calculate anticipated gross receipts per firm. San Francisco-specific data were derived from sources including IMPLAN and the Census Bureau's Economic Census. This data informs calculations of effective tax rates based on CCSF's updated GRT tax schedules. These revenue data and estimates of effective tax rate are applied to anticipated employment at the Project to estimate GRT. Firms with San Francisco Gross Receipts under \$5 million are exempt from the Gross Receipts Tax. **Table 11** includes EPS assumptions regarding tax exemptions which also reflects potential for sales to have occurred outside of San Francisco. Detailed tax rate calculations can be found in **Appendix Table A-10**.
- **Table 12** estimates CCSF's business registration revenue using many of the same assumptions as used in **Table 11**. CCSF has published a schedule of business registration fees based on a firm's gross receipts, which the analysis applies based on the revenue and firm size estimates for each business category.
- **Table 13** estimates gross receipts revenue on commercial rents. The total rental proceeds are based on rental rates provided by Prado Group, Inc. The analysis assumes retailers within the Project will be formula establishments and therefore would be subject to the commercial rents tax. Non-formula retail would be exempt.
- **Table 14** documents CCSF's other General Fund revenue, which includes revenue from utility users' taxes, access line tax, and commercial rents tax. Revenue is derived on a per-service population or per-employee basis, depending on the revenue stream. For example, the analysis relies on a per-service population approach to estimate utility users' tax revenue since both households and businesses generally pay the tax. The analysis also calculates the 15 percent portion of Commercial Rents Tax (Prop C of June 2018) that accrues to the General Fund, based on total rental proceeds detailed in **Table 13**.
- **Table 15** estimates CCSF's mandated funding requirements from General Fund revenue generated by the Project. The total mandated funding requirement includes defined shares of San Francisco's aggregate discretionary revenue (ADR)- the total General Fund revenue net of transfers, fees, and state and federal subventions – as well as property tax set asides.
- **Table 16** summarizes the CCSF General Fund expenditures by line item and documents the assumptions and calculations to estimate new General Fund costs resulting from providing services to the Project. The FIA relies on a categorization of the likely budgetary response to employment growth for each department, expressed for fiscal modeling purposes in terms of "fixed expenses" and "variable expenses" within the department budget. EPS uses a per-

service population cost approach to estimate department costs. The variable portion of each department budget is used to determine the per-service population cost, and per-service population factors are multiplied by the projected increase in service population generated by the Project. The proposed Project is not expected to generate new capital and technology, overhead, debt service, and other non-departmental expenditure requirements for the General Fund.

- **Table 17** documents the population, employment, and service population assumptions underlying the FIA. The metrics are sourced directly from the California Department of Finance and the US Census Bureau (LEHD Program). EPS calculated San Francisco's service population by adjusting total employment by a factor of 0.5 to reflect the relatively lower municipal service burden attributable to local workers relative to residents.

Appendix Tables

Supporting data and calculations are presented in the appendix tables.

Appendix Table A-1 – Existing Service Population

Appendix Table A-2 – Residential Program and Occupancy

Appendix Table A-3 – Existing Property Assessed Values

Appendix Table A-4 – Market Rate Average Rents

Appendix Table A-5 – Market Rate Assessed Value Calculations

Appendix Table A-6 – Below Market Rate Assessed Value Calculations

Appendix Table A-7 – 2025 HCD Income Limits for San Francisco

Appendix Table A-8 – Bureau of Labor Statistics Consumer Expenditure Survey (Table 1203)

Appendix Table A-9 – Bureau of Labor Statistics Consumer Expenditure Survey (By Age)

Appendix Table A-10 – Gross Receipts Tax Rate Calculations

The Economics of Land Use



Appendix A

Detailed Tables

Table 1
Annual Net Fiscal Impact Summary Detail with Tax Increment (EIFD)
3333/3700 California St EIFD Support; EPS #231038

Item	Annual Fiscal Impact at Project Buildout (2025\$)
<u>General Fund Revenues</u>	
Property Tax	\$3,955,000
Property Tax in Lieu of VLF	\$1,564,000
Property Transfer Tax	\$2,466,000
Sales Tax	\$585,000
Transient Occupancy Tax (TOT)	\$0
Gas Electric Steam Users Tax	-\$70,000
Telephone Users Tax Land & Mobile	\$66,000
Water Users Tax	-\$6,000
Access Line Tax	\$118,000
Parking Tax	\$0
Gross Receipts Tax	\$733,000
Business Registration	\$41,000
Commercial Rents Tax	\$20,000
Subtotal General Revenue	\$9,473,000
(less) General Fund Baseline Requirements	-\$2,716,000
General Fund Revenue After Requirements	\$6,757,000
<u>General Fund Expenditures</u>	
Community Health	\$628,000
Culture & Recreation	\$104,000
General Administration & Finance	\$194,000
General City Responsibilities	\$107,000
Human Welfare & Neighborhood Development	\$901,000
Police	\$1,570,000
Fire	\$1,049,000
Other Public Protection	\$354,000
Public Works, Transportation & Commerce	\$460,000
Total General Fund Expenditures	\$5,367,000
NET Annual General Revenues	\$1,390,000
<u>MTA Fund</u>	
MTA General Fund Baseline Funding	\$907,000
MTA General Fund Expenses	\$602,000
Net Impact on the MTA Fund	\$305,000
Total Fiscal Benefit Estimate	\$1,695,000

Note: Totals may not sum due to rounding.

Table 2
Annual Net Fiscal Impact Summary Phased with Tax Increment (EIFD)
3333/3700 California St EIFD Support; EPS #231038

Item	Phase 1 (1)	Phase 2 (1)	Buildout
<u>General Fund Revenues</u>			
Property Tax	\$2,507,000	\$1,449,000	\$3,955,000
Property Tax in Lieu of VLF	\$991,000	\$573,000	\$1,564,000
Property Transfer Tax	\$1,463,000	\$1,003,000	\$2,466,000
Sales Tax	\$255,000	\$330,000	\$585,000
Transient Occupancy Tax (TOT)	\$0	\$0	\$0
Gas Electric Steam Users Tax	-\$8,000	-\$62,000	-\$70,000
Telephone Users Tax Land & Mobile	\$51,000	\$15,000	\$66,000
Water Users Tax	-\$1,000	-\$5,000	-\$6,000
Access Line Tax	\$79,000	\$39,000	\$118,000
Parking Tax	\$0	\$0	\$0
Gross Receipts Tax	\$640,000	\$93,000	\$733,000
Business Registration	\$25,000	\$16,000	\$41,000
Commercial Rents Tax	\$0	\$20,000	\$20,000
Subtotal General Revenue	\$6,003,000	\$3,470,000	\$9,473,000
(less) General Fund Baseline Requirements	-\$1,721,000	-\$995,000	-\$2,716,000
General Fund Revenue After Requirements	\$4,282,000	\$2,475,000	\$6,757,000
<u>General Fund Expenditures</u>			
Community Health	\$421,000	\$207,000	\$628,000
Culture & Recreation	\$70,000	\$34,000	\$104,000
General Administration & Finance	\$130,000	\$64,000	\$194,000
General City Responsibilities	\$72,000	\$35,000	\$107,000
Human Welfare & Neighborhood Development	\$604,000	\$297,000	\$901,000
Police	\$1,052,000	\$517,000	\$1,570,000
Fire	\$703,000	\$346,000	\$1,049,000
Other Public Protection	\$237,000	\$117,000	\$354,000
Public Works, Transportation & Commerce	\$308,000	\$152,000	\$460,000
Total General Fund Expenditures	\$3,598,000	\$1,769,000	\$5,367,000
NET Annual General Revenues	\$683,000	\$707,000	\$1,390,000
<u>MTA Fund</u>			
MTA General Fund Baseline Funding	\$575,000	\$332,000	\$907,000
MTA General Fund Expenses	\$462,000	\$140,000	\$602,000
Net Impact on the MTA Fund	\$113,000	\$192,000	\$305,000
Total Fiscal Benefit Estimate	\$796,000	\$899,000	\$1,695,000

Note: Totals may not sum due to rounding.

(1) Phasing based on estimated midpoint of unit development and not an official construction timeline.

Table 3
Project Program and Service Population
3333/3700 California St EIFD Support; EPS #231038

Item	Development Program	Resident or Worker Density Assumptions (1)	Resident Population	Employment	Service Population (2)
<u>Commercial Uses (3333)</u>					
General Retail	38,094 SF	350 SF / Employee		109	54
Childcare (3)	13,933 SF	600 SF / Employee		23	12
<i>Commercial Subtotal</i>	<i>52,027 SF</i>			<i>132</i>	<i>66</i>
<u>Residential Uses</u>					
3333 California St.					
Market-Rate Rental	619 DU	2.62 Residents / HH	1,621		1,621
Affordable Rental	125 DU	1.00 Residents / HH	125		125
On-Site Employment (Senior Special Needs) (4)		1.00 Employees / DU		31	16
Property Management Employment (5)		0.04 Employees / DU		30	15
3700 California St.					
Market-Rate Rental (Blocks A & B)	298 DU	2.85 Residents / HH	849		849
Market-Rate Rental (Senior Continuum of Care)	232 DU	1.50 Residents / HH	348		348
On-Site Employment (Senior Continuum of Care) (6)		1.60 Employees / DU		371	186
Property Management Employment (5)		0.04 Employees / DU		21	11
<i>Residential Subtotal</i>	<i>1,274 DU</i>		<i>2,943</i>	<i>453</i>	<i>3,170</i>

Table 3 continued
Project Program and Service Population
3333/3700 California St EIFD Support; EPS #231038

Item	Development Program	Resident or Worker Density Assumptions (1)	Resident Population	Employment	Service Population (2)
Project Service Population			2,943	585	3,236
Less Existing Site Service Population (7)				(1,340)	(670)
Net Service Population			2,943	(755)	2,566

(1) Household and employment densities will vary by building format and tenanting. Assumptions are generally consistent with the Project's draft EIR and rely on input from Mercy Housing, the affordable housing developer expected to build the affordable senior component of the Project. EPS assumes a residential density of 1.5 residents per household for the Senior Continuum of Care facility, which likely overestimates the resident population in an effort to account for additional public service need associated with senior population. See **Table A-2** for calculations.

(2) Per-person employee burden on City service is weighted at 50 percent of resident burden.

(3) Assumes 100 sq.ft. per child and one staff person for every six children, reflecting typical space and staffing requirements.

(4) EPS assumes that there will be 1 employee for every unit of special needs housing (31 units). The actual figure will depend on the specific needs of residents and services provided.

(5) EPS assumption that residential development has potential to generate property management/ leasing jobs at a rate of 1 employee for every 25 dwelling units.

(6) Based on proposed employment and housing units at Coterie San Francisco.

(7) See **Table A-1**.

Sources: Prado Group, Inc.; Economic & Planning Systems, Inc.

Table 4
FY2024-25 Revenue Budget Summary and Fiscal Impact Estimating Factors
3333/3700 California St EIFD Support; EPS #231038

Item	FY2024-25 Adopted General Fund	Estimating Factors Applied to Calculate Project Revenue
<u>Property Taxes</u>	\$2,469,580,000	
Property Tax in Lieu of VLF	\$373,000,000	% of Citywide Assessed Value
Other Property Taxes (1)	\$2,096,580,000	64.59% of base property tax rate (1%)
<u>Other Local Taxes</u>	\$1,109,170,000	
Sales Tax	\$193,690,000	1.00% of estimated taxable sales
Hotel Room Tax	\$285,170,000	<i>not estimated</i>
Parking Tax	\$86,900,000	<i>not estimated</i>
Property Transfer Tax	\$218,850,000	tax rate schedule
Gas Electric Steam Users Tax	\$60,710,000	\$93 per employee
Telephone Users Tax	\$45,250,000	\$30 per resident/employee
Water Users Tax	\$4,770,000	\$7 per employee
Access Line Tax	\$53,730,000	\$46 per service population
Other Local Taxes	\$160,100,000	<i>not estimated</i>
<u>Business Taxes</u>	\$883,000,000	
Gross Receipts Tax	\$839,000,000	tax rate schedule
Business Registration Fees	\$44,000,000	tax rate schedule
<u>Other Revenues</u>	\$2,170,478,243	
Rents & Concessions	\$14,144,990	<i>not estimated</i>
Fines, Forfeiture, & Penalties	\$3,920,825	<i>not estimated</i>
Interest & Investment Income	\$146,714,561	<i>not estimated</i>
Licenses, Permits, & Franchises	\$31,802,400	<i>not estimated</i>
Intergovernmental	\$1,321,362,653	<i>not estimated</i>
Charges for Services	\$351,423,351	<i>not estimated</i>
Other Revenues	\$19,444,375	<i>not estimated</i>
Transfers In	\$206,499,097	<i>not estimated</i>
Prior Year	\$75,165,991	<i>not estimated</i>
Total Revenues	\$6,632,228,243	

(1) Other Property Taxes includes Excess ERAF, which is determined by a separate formula.

Sources: City and County San Francisco Budget and Appropriation Ordinance 2024/2025 No. 190-24; Economic & Planning Systems, Inc.

Table 5
Project Assessed Value
3333/3700 California St EIFD Support; EPS #231038

Land Use	Program Assumptions	Assessed Value Factor (1)	Total AV at Buildout (2025\$)
<u>Commercial Uses</u>			
3333 California St.			
Retail	38,094 Square Feet	\$1,520 per Sq.Ft.	\$57,902,880
Childcare	<u>13,933</u> Square Feet	\$970 per Sq.Ft.	<u>\$13,515,010</u>
Commercial Subtotal	52,027 Square Feet		\$71,417,890
<u>Residential Uses</u>			
3333 California St.			
Market-Rate Rental	619 DUs	\$1,314,583 per Unit	\$813,727,108
Affordable Rental (2)	<u>125</u> DUs	<i>Tax Exempt</i>	<u>\$0</u>
3333 California St. Subtotal	744 DUs		\$813,727,108
3700 California St.			
Market Rate Rental (A&B)	298 DUs	\$1,547,935 per Unit	\$461,284,776
Market-Rate Rental (Senior Continuum of Care) (3)	232 DUs	\$1,190,000 per Unit	<u>\$276,080,000</u>
3700 California St. Subtotal	530 DUs		\$737,364,776
Total Project Assessed Valuation			\$1,622,509,774
(Less) Existing Assessed Value (4)			\$155,619,854
Total Net New Assessed Value			\$1,466,889,920

(1) Assessed values are provided by Prado Group (2025). See **Table A-4** and **Table A-5**.

(2) Assumes 125 units of affordable senior housing will be owned by a non-profit organization and property tax exempt.

(3) Per unit assessed value for the Senior Continuum of Care element is based on the per unit value of the Coterie Cathedral Hill development, a luxury senior living facility in San Francisco.

(4) See details of existing assessed values at **Table A-3**.

Sources: City and County San Francisco Budget and Appropriation Ordinance 2024/2025 No. 190-24; San Francisco Treasurer & Tax Collector; Related Companies; Prado Group, Inc.; Economic & Planning Systems, Inc.

Table 6
Property Tax Estimate
3333/3700 California St EIFD Support; EPS #231038

Land Use	Assumption / Factor		Total at Buildout (2025\$)
Total Net New Assessed Value			\$1,466,889,920
Property Tax	1.0%	Base Property Tax Rate	\$14,668,899
General Fund Revenue	64.588206%	Allocation to General Fund	\$9,474,379
Tax Increment Allocation	58.252419%	To EIFD	\$5,519,055
Net Revenue to General Fund (1)	41.747581%	To General Fund	\$3,955,324

(1) The City has agreed to allocate the remaining 41.747581% of the City share of increment not constituting Allocated Tax Revenue on a conditional basis; the Conditional Tax Revenue is only available to (i) provide coverage for the EIFD Bonds and (ii) pay debt service on Bonds (but not other debt), issued by the EIFD, including replenishing debt service reserve funds for such Bonds, to the extent that Allocated Tax Revenue is not available for that purpose.

Sources: City and County San Francisco Budget and Appropriation Ordinance 2024/2025 No. 190-24; Economic & Planning Systems, Inc.

Table 7
Property Tax In Lieu of VLF Estimate
3333/3700 California St EIFD Support; EPS #231038

Land Use	Total at Buildout
Existing Citywide Property Tax in Lieu of Vehicle License Fee (VLF) (1)	\$362,629,080
Citywide Assessed Value (2)	\$340,171,657,016
Project Incremental Assessed Value	\$1,466,889,920
Project Net Assessed Value Increase (3)	0.43%
Property Tax In Lieu of VLF Revenue (4)	\$1,563,731
VLF Increase Per \$1B AV	\$1,066,017.91

- (1) FY 2023-24 Citywide VLF recovered per Controller's Office Property Tax Manager.
- (2) FY2023-24 net total assessed value for VLF per Controller's Office Property Tax Manager.
- (3) Calculated by dividing the net new assessed value by citywide assessed value.
- (4) Calculated by multiplying existing property tax in lieu of VLF by percentage increase in net assessed value.

Sources: City and County San Francisco Budget and Appropriation Ordinance 2024/2025 No. 190-24; Economic & Planning Systems, Inc.

Table 8
Property Transfer Tax Estimate
3333/3700 California St EIFD Support; EPS #231038

Land Use	Assessed Value	Tax Rate	Percent Exempt (1)	Transfer 1 - With Prop C Exemption (2)	Transfer 2 (2)	Total Transfer Tax over EIFD Term	Annualized
Proposed Project							
Retail	\$57,902,880	6.00%	0.00%	\$3,474,173	\$3,474,173	\$6,948,346	\$154,408
Childcare	\$13,515,010	6.00%	0.00%	\$810,901	\$810,901	\$1,621,801	\$36,040
3333 California St.							
Market-Rate Rental	\$813,727,108	6.00%	56.51%	\$21,231,170	\$48,823,626	\$70,054,797	\$1,556,773
Affordable Rental (3)	\$9,203,000	0.75%	0.00%	\$69,023	\$69,023	\$138,045	\$3,068
3700 California St.							
Market Rate Rental (A&B)	\$461,284,776	6.00%	85.00%	\$4,151,563	\$27,677,087	\$31,828,650	\$707,303
Market-Rate Rental (Senior)	\$276,080,000	6.00%	85.00%	\$2,484,720	\$16,564,800	\$19,049,520	\$423,323
Project Subtotal							\$2,880,915
(Less) Existing	\$155,619,854	6.00%		\$9,337,191	\$9,337,191	\$18,674,382	\$414,986
Net New Annual Transfer Tax Revenue							\$2,465,928

(1) In 2024, San Francisco approved Proposition C, which amended the Business and Tax Regulations Code to waive property transfer tax for nonresidential space converted to residential use. Through conversations with Prado and the City of San Francisco, this analysis estimates the percent of the property's assessed value exempt during the first transfer. The percent exempt is based on the assumption that 518,000 residential square feet at 3333 California St will be exempt from the first Property Transfer Tax and that 85% of the space at 3700 California St. will be exempt.

(2) Assumes turnover once every 20 years, for a 45 year term this would turn out to be approximately 2 transfers. Assumes the residential portion of development uses the Prop C waiver for the first transfer.

Table 9
Household Income and Retail Spending Potential
3333/3700 California St EIFD Support; EPS #231038

Item	Assumptions	Estimate (2025\$)
<u>Estimated Annual Household Income</u>		
<u>Rental Housing Households (1)</u>		<u>Annual Household Income</u>
3333 California St.		
Market Rate (2)	22% of income spent on rent	\$433,747
Senior Affordable Rental (3)	HCD Income Limits	\$36,044
3700 California St (2)	22% of income spent on rent	\$483,990
<u>Household Taxable Retail Spending (4)</u>		
<u>Households in Rental Housing</u>		<u>Annual Household Taxable Spending</u>
3333 California St.		
Market Rate	14% of income	\$62,190
Senior Affordable Rental	12% of income	\$4,499
3700 California St	14% of income	\$69,394
Weighted Average Household Spending (5)		\$57,330

(1) This analysis assumes that taxable spending at the Senior Rental Housing facility at 3700 California St. is de minimus, due to the inclusion of onsite amenities and provision of food.

(2) Data from developer indicates that households paying rents similar to those anticipated by the project spend an average of about 22% of their annual household income on rent.

(3) Income reflects weighted average household income based on distribution of affordable units by income limit, as listed in **Summary Table 1**. Affordable Rental Incomes estimated using San Francisco Maximum Income By Household Size Matrix for 1 Person. Current analysis uses 30% AMI limit for Special Needs units, though the actual income limits may vary.

(4) See **Table A-8** and **Table A-9** for calculations of the percent of household income spent on taxable goods.

(5) Household incomes are weighted based on the number of units.

Sources: State Board of Equalization; ICSC Research Survey; U.S. Bureau of Labor Statistics; Prado Group.

Table 10
Annual Sales Tax Revenue Estimate
3333/3700 California St EIFD Support; EPS #231038

Item	Assumptions / Factor	Total at Buildout (2025\$)
<u>Household Taxable Spending</u>		
Number of Households		1,042
Annual Household Retail Spending	\$57,330 per household	\$59,737,495
Net New Retail Sales Captured in San Francisco	75% of retail expenditures	\$44,803,121
<u>Additional On-Site Taxable Sales</u>		
New Retail Space (Sq.Ft.) (1)		38,094
Gross Taxable Retail Sales (2)	\$500 taxable sales per square foot	\$19,047,000
Sales Net of Redistributed Sales in City (3)	80% of total taxable sales	\$15,237,600
Adjustment for Resident Spending at 3333	10% of net taxable sales	<u>-\$1,523,760</u>
Net New On-Site Taxable Sales (4)		\$13,713,840
Net New Taxable Retail Sales		\$58,516,961
Total Sales Tax Revenue	1.0% of taxable sales	\$585,170

- (1) New retail space is assumed to be neighborhood retailers such as cafes, clothing stores, and grocers.
(2) Assumption only considers taxable retail sales, excluding likely tax-exempt spending, such as grocery and pharmacy.
(3) Assumes 20% of sales shift from existing retailers in the city.
(4) Reflects on-site sales to project residents and employees equal to 10% of on-site sales.

Sources: State Board of Equalization; HdL; US Bureau of Labor Statistics; Economic & Planning Systems, Inc.

Table 11
Gross Receipts Tax Revenue Estimate (2025\$)
3333/3700 California St EIFD Support; EPS #231038

Industry	Employees	Sales (3)	Effective Tax Rate (4)	Gross Receipts Tax Revenue
Retail (1)	54	\$30,224,168	0.16%	\$49,691
Restaurant	54	<i>n/a</i>	<i>n/a</i>	\$0
Child Care	23	<i>n/a</i>	<i>n/a</i>	\$0
Senior Services (Affordable Housing) (2)	31	<i>n/a</i>	<i>n/a</i>	\$0
Senior Living	371	\$43,247,052	1.34%	\$577,815
Building Services	38	\$6,371,491	0.43%	\$27,407
Leasing Services	13	\$17,891,737	0.44%	\$77,893
Total	585			\$732,806

(1) Total sales, including those not subject to sales tax.

(2) Affordable housing units will be operated by a nonprofit and tax exempt.

(3) Sales data derived from IMPLAN sales output for San Francisco.

(4) See Table **A-10** for detailed tax rate breakdown.

Table 12
Business Registration Revenue Detail (2025\$)
3333/3700 California St EIFD Support; EPS #231038

Land Use	Employees	Employees per Firm (1)	Firms	Business Registration Fee (2)	Business Registration Revenue
Retail	54	17.9	3.0	\$2,000	\$6,080
Restaurant	54	22.5	2.4	\$1,885	\$4,560
Child Care	23	<i>n/a</i>	1.0	\$1,885	\$1,885
Senior Services (Affordable Housing) (3)	31	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Senior Continuum of Care	371	<i>n/a</i>	1.0	\$20,000	\$20,000
Business Services	38	45.7	0.8	\$2,000	\$1,673
Leasing Services	13	11.5	1.1	\$6,500	\$7,201
Total	585				\$41,399

(1) Employees per firm estimate based on citywide average by NAICS category from 2017 Economic Census data for City of San Francisco. Retail employment reflects "retail trade" businesses and Restaurant employment reflects "Accommodation and food services" businesses. Assumes a single operator for Childcare and Senior Services.

(2) Business registration fees are based on a business's gross receipts in San Francisco from the previous year. See **Table 11** and **Appendix Table A-10** for SF gross receipts estimates. This analysis uses the Business Registration Fee Schedule posted on the City's website for 2025, adjusted proportionally from a nine-month period to a twelve-month period for this estimate.

(3) Affordable housing units will be operated by a nonprofit and tax exempt entity.

Sources: City of San Francisco Business Registration Fees (July 1, 2025 and ending June 30, 2026)

Table 13
Commercial Rental Revenue
3333/3700 California St EIFD Support; EPS #231038

Commercial Use	Development Program	Rentable Square Feet	Rental Rates	Total at Buildout (2025\$)
General Retail (1)	38,094 SF	38,094 SF	\$6.67 per Rentable Sq.Ft.	\$3,047,520
Childcare	13,933 SF	13,933 SF	\$4.25 per Rentable Sq.Ft.	<u>\$710,583</u>
Total Annual Rental Revenue				\$3,758,103
Gross Receipts Tax Revenue (2)			3.5%	\$131,534

(1) Assumes rent from retailers is subject to commercial gross receipts tax. New retail space is assumed to be neighborhood retailers such as cafes, clothing stores, and grocers.

(2) Includes General Fund and restricted revenues.

Source: Prado Group, Inc.

Table 14
Other Revenue Estimates
3333/3700 California St EIFD Support; EPS #231038

Item	Allocation Factor	Project Characteristic (1)	Total at Buildout (2025\$)
Gas Electric Steam Users Tax	\$93 per employee	-755 Employees	(\$70,161)
Telephone Users Tax Land & Mobile	\$30 per resident/employee	2,188 Residents and Employees	\$66,239
Water Users Tax	\$7 per employee	-755 Employees	(\$5,513)
Access Line Tax	\$46 per service population	2,566 Service Population	\$117,976
Commercial Rents Tax (CRT) (2)	0.53% on rental revenue	\$3,758,103 per Year	<u>\$19,730</u>
Subtotal			\$128,271

(1) Reflects net new population projections.

(2) General Fund allocation of CRT is 15% (15% of 3.5% = 0.53%); the remaining 85% (85% of 3.5% = 2.98%) is restricted revenue

Sources: City and County San Francisco Budget and Appropriation Ordinance 2024/2025 No. 190-24; Economic & Planning Systems, Inc.

Table 15
Aggregate Discretionary Revenue (ADR) and Mandated Transfers
3333/3700 California St EIFD Support; EPS #231038

Aggregate Discretionary Revenue (ADR)

Property Tax	\$3,955,324
Property Tax In-Lieu of Vehicle License Fee	\$1,563,731
Property Transfer Tax	\$2,465,928
Transient Occupancy Tax Allocation to General Fund	\$0
Sales Tax	\$585,170
Parking Tax	\$0
Gross Receipts Tax	\$732,806
Business Registration Tax	\$41,399
Gas Electric Steam Users Tax	-\$70,161
Telephone Users Tax Land & Mobile	\$66,239
Water Users Tax	-\$5,513
Access Line Tax	\$117,976
Commercial Rents Tax	\$19,730
Total	\$9,472,630

General Fund Baseline Requirements

MTA Fund	9.5745%	\$906,957
Children's Services	8.7564%	\$829,461
Library Preservation	2.2858%	\$216,525
Street Tree	0.5097%	\$48,282
Early Care and Education Baseline	2.0800%	\$197,031
Housing Trust Fund	1.0933%	\$103,564
Recreation and Parks	1.8258%	\$172,951
Dignity Fund	1.3244%	\$125,456
Student Success Fund	1.2210%	\$115,661
Total Baseline Allocations	28.6709%	\$2,715,888

Sources: CCSF Controller's Office; Economic & Planning Systems, Inc.

Table 16
FY2024-25 Expenditure Budget Summary and Service Cost Estimating Factors
3333/3700 California St EIFD Support; EPS #231038

Item	Allocated General Fund Expenses (FY2024-25)	Percent Variable (1)	Per Capita General Fund Expense	Project Population/ Service Population	Annual Service Cost Total at Buildout
Community Health	\$1,144,476,000	25%	\$245	2,566	\$628,237
Culture & Recreation	\$190,338,000	25%	\$41	2,566	\$104,482
General Administration & Finance	\$352,660,000	25%	\$75	2,566	\$193,586
General City Responsibilities	\$194,821,000	25%	\$42	2,566	\$106,943
Human Welfare & Neighborhood Development	\$1,641,289,000	25%	\$351	2,566	\$900,953
Public Protection					
Police	\$714,913,000	100%	\$612	2,566	\$1,569,749
Fire	\$477,799,000	100%	\$409	2,566	\$1,049,113
Other Public Protection	\$645,024,000	25%	\$138	2,566	\$354,073
Public Works, Transportation & Commerce	<u>\$232,734,000</u>	90%	<u>\$179</u>	2,566	<u>\$459,917</u>
Total Expenditures	\$5,594,054,000		\$2,092		\$5,367,053

(1) Percentage of costs that are service population-dependent, as opposed to fixed costs or costs recovered through fees or charges.

Sources: City and County San Francisco Budget and Appropriation Ordinance 2024/2025 No. 190-24; Economic & Planning Systems, Inc.

Table 17
MTA Fund Fiscal Impact Analysis
3333/3700 California St EIFD Support; EPS #231038

<u>Annual MTA Fund Revenues (1)</u>	
ADR Accruing to the General Fund	\$9,472,630
Baseline Allocation to MTA	9.57%
Fund Revenue Attributable to Project	\$906,957
<u>Annual MTA Fund Expenses (2)</u>	
MTA General Fund Support (3)	\$548,500,000
Variable GF Support (75%)	\$411,375,000
Service Population Citywide (4)	1,494,975
Per-Capita Variable General Fund Support	\$275
Project Service Population (5)	2,188
Annual MTA Fund Expenses	\$602,187
Net Impact on the MTA Fund	\$304,770

(1) MTA revenues are estimated based on the baseline transfer of General Fund monies to MTA attributable to the Project.

(2) MTA expenses estimate the variable General Fund support to the MTA budget that is required to provide services to the Project service population.

(3) MTA 2024-25 budget presentation.

(4) MTA service population calculated as unweighted resident and worker populations combined.

(5) Net new resident and worker population.

Table 18
San Francisco Population, Employment, and Service Population
3333/3700 California St EIFD Support; EPS #231038

Item	Amount	Sources
Housing Units	422,007	DOF Jan 1, 2025 Estimate
Population	842,027	DOF Jan 1, 2025 Estimate
Persons/Household	2.10	DOF Jan 1, 2025 Estimate
Employment	652,948	2023 ACS 5-Year Estimate
Service Population (1)	1,168,501	DOF 2025, ACS

(1) Daytime population is calculated by adding total residential population and half of total employment.

Sources: U.S. Census Bureau American Community Survey (ACS); State of California Department of Finance.

The Economics of Land Use



Appendix A

Detailed Tables

**Appendix Table A-1
Existing Service Population
3333/3700 California St EIFD Support; EPS #231038**

Item	Development Program	Resident or Worker Density Assumptions (1)	Employment	Service Population (2)
<u>Commercial Uses</u>				
3333 California St				
UCSF	364,500 SF	276 SF / Employee	1,321	660
Childcare (3)	<u>11,500 SF</u>	600 SF / Employee	<u>19</u>	<u>10</u>
Total	376,000 SF		1,340	670

(1) Employment densities will vary by building format and tenanting. Employment density assumption at UCSF is based on assumptions in the Project EIR. Employment density at the existing childcare is based on typical conditions, using standard, industry-accepted assumptions.

(2) Per-person employee burden on City service is weighted at 50 percent of resident burden.

(3) Assumes 100 sq.ft. per child, and one staff person for every six children.

Sources: Prado Group, Inc.; Economic & Planning Systems, Inc.

**Appendix Table A-2
Residential Program and Occupancy
3333/3700 California St EIFD Support; EPS #231038**

Unit Type	Units		Population	
	Market Rate		Occupants/Unit (1)	Total
3333 California St				
Jr	44		1	44
1BR	241		2	482
2BR	257		3	771
3BR	61		4	244
4BR	<u>16</u>		5	<u>80</u>
Total	619			1,621
3333 Residents / Household				2.62
3700 California St				
Jr	13		1	13
1BR	98		2	196
2BR	127		3	381
3BR	41		4	164
4BR	<u>19</u>		5	<u>95</u>
Total	298			849
3700 Residents / Household				2.85

(1) Population is estimated based on number of bedrooms, plus one additional person.

Sources: Prado Group, Inc.; Economic & Planning Systems, Inc.

**Appendix Table A-3
Existing Property Assessed Values
3333/3700 California St EIFD Support; EPS #231038**

Parcel	Address	Secured - Land	Secured - Structured	Unsecured	Total Taxable Value
<u>3333 California St</u>					
1032-003	3333 California St	\$53,241,982	\$53,241,982	\$3,000	\$106,486,964
<u>3700 California St</u>					
1015-052	3905 Sacramento	\$4,421,700			\$4,421,700
1015-053	3800 California	\$5,014,728			\$5,014,728
1016-001	3801 Sacramento	\$6,741,792			\$6,741,792
1016-002	3740 California	\$10,539,252			\$10,539,252
1016-003	3790 California	\$7,085,124			\$7,085,124
1016-004	420V Cherry	\$1,768,680			\$1,768,680
1016-005	406-410 Cherry	\$884,340			\$884,340
1016-006	3891-3893 Sacramento	\$884,340			\$884,340
1016-007	3881-3883 Sacramento	\$442,170			\$442,170
1016-008	3875V Sacramento	\$442,170			\$442,170
1016-009	3801-3899 Sacramento	\$884,340			\$884,340
1017-027	3630 California	\$1,206,864			\$1,206,864
1017-028	3773 Sacramento	<u>\$8,817,390</u>			<u>\$8,817,390</u>
Subtotal		\$49,132,890			\$49,132,890
Total Existing Assessed Value					\$155,619,854

Sources: Prado Group, Inc.; City and County of San Francisco Tax Assessor.

Appendix Table A-4
Market Rate Average Rents
3333/3700 California St EIFD Support; EPS #231038

Unit Types	Number of Units	Avg NSF	\$/sf	Monthly Rent/Unit (1)
3333 California St - Market Rate Rental				
Jr	44	600	\$6.83	\$4,100
1BR	241	800	\$7.34	\$5,868
2BR	257	1,100	\$7.77	\$8,542
3BR	61	1,700	\$7.74	\$13,161
4BR/Townhomes	16	3,300	\$6.24	<u>\$20,600</u>
Weighted Average				\$7,952
3700 California St - Market Rate Rental				
Jr	13	560	\$7.32	\$4,100
1BR	98	740	\$7.93	\$5,868
2BR	127	1,120	\$7.63	\$8,542
3BR	41	1,400	\$9.40	\$13,161
4BR/Townhomes	19	3,840	\$5.36	<u>\$20,600</u>
Weighted Average				\$8,873

(1) Monthly rents per unit reflect preliminary anticipated rents as provided by Prado Group.

Source: Prado Group, Inc.

Appendix Table A-5
Market Rate Assessed Value Calculations
3333/3700 California St EIFD Support; EPS #231038

Item	Assumption (1)	Total
<u>3333 California St - Market Rate Rental</u>		
Average Annual Market Rent per Unit	\$7,952 monthly rent	\$95,424
(less) Losses to Vacancy	5% vacancy rate	<u>(\$4,771)</u>
(less) Operating Expense per Unit		<u>(\$31,497)</u>
Annual Net Operating Income per Unit		\$59,156
Capitalized Unit Value	4.50% cap rate	\$1,314,583
<u>3700 California St - Market Rate Rental</u>		
Average Annual Market Rent per Unit	\$8,873 monthly rent	\$106,478
(less) Losses to Vacancy	5% vacancy rate	<u>(\$5,324)</u>
(less) Operating Expense per Unit		<u>(\$31,497)</u>
Annual Net Operating Income per Unit		\$69,657
Capitalized Unit Value	4.50% cap rate	\$1,547,935
<u>General Retail</u>		
Average Annual NNN Market Rent per Square Foot		\$80
(less) Losses to Vacancy	5% vacancy rate	<u>(\$4)</u>
(less) Operating Expenses	0% of rent	<u>\$0</u>
Annual Net Operating Income per Square Foot		\$76
Capitalized Value per Square Foot	5.00% cap rate	\$1,520
<u>Childcare</u>		
Average Annual NNN Market Rent per Square Foot		\$51
(less) Losses to Vacancy	5% vacancy rate	<u>(\$3)</u>
(less) Operating Expenses	0% of rent	<u>\$0</u>
Annual Net Operating Income per Square Foot		\$48
Capitalized Value per Square Foot	5.00% cap rate	\$969

(1) Assumptions about residential operating expenses, vacancy and cap rates provided by Prado Group. Commercial market data sourced from IRR Viewpoint, CBRE, and CoStar.

Sources: Prado Group, Inc.; CBRE; CoStar Market Report; IRR Viewpoint 2024; Economic & Planning Systems, Inc.

Appendix Table A-6
BMR Assessed Value Calculations
3333/3700 California St EIFD Support; EPS #231038

Item	Assumption	
Weighted Average Household Income (1)		\$36,044
Annual Rental Revenue	30% of income	\$10,813
(less) Operating Expense per Unit (2)		(\$7,500)
Annual Net Operating Income per Unit		\$3,313
Capitalized Unit Value	4.50% cap rate	\$73,624
Number of Units		125
Total Value (3)		\$9,203,000
Total Taxable Value		\$0

(1) Average household income reflects the anticipated affordability levels of the project. These affordability levels may depend on financing and other factors. Analysis assumes a mix of affordability levels ranging from 15% to 60% of Area Median Income (AMI).

(2) Operating expenses are based on EPS feasibility studies and are inclusive of utility costs. Units are assumed to be exempt from property taxes.

(3) Assumes 125 units of affordable senior housing will be owned by a non-profit organization and property tax exempt. This value is solely used in the estimation of property transfer tax.

Sources: Prado Group, Inc.; Economic & Planning Systems, Inc.

Appendix Table A-7
2025 HCD Income limits for San Francisco
3333/3700 California St EIFD Support; EPS #231038

Income Level	Household Size		
	1 Person	2 Person	3 Person
<u>Extremely Low Income</u>			
15% of Area Median Income	\$16,350	\$18,700	\$21,050
20% of Area Median Income	\$21,800	\$24,950	\$28,050
25% of Area Median Income	\$27,300	\$31,200	\$35,050
30% of Area Median Income	\$32,750	\$37,400	\$42,100
<u>Very Low Income</u>			
35% of Area Median Income	\$38,200	\$43,650	\$49,100
40% of Area Median Income	\$43,650	\$49,900	\$56,100
45% of Area Median Income	\$49,100	\$56,100	\$63,100
50% of Area Median Income	\$54,550	\$62,350	\$70,150
<u>Low Income</u>			
55% of Area Median Income	\$60,000	\$68,600	\$77,150
60% of Area Median Income	\$65,450	\$74,800	\$84,150
65% of Area Median Income	\$70,900	\$81,050	\$91,150
70% of Area Median Income	\$76,350	\$87,300	\$98,200
75% of Area Median Income	\$81,850	\$93,550	\$105,200
80% of Area Median Income	\$87,300	\$99,750	\$112,200
<u>Moderate Income</u>			
85% of Area Median Income	\$92,750	\$106,000	\$119,200
90% of Area Median Income	\$98,200	\$112,250	\$126,250
95% of Area Median Income	\$103,650	\$118,450	\$133,250
100% of Area Median Income	\$109,100	\$124,700	\$140,250
105% of Area Median Income	\$114,550	\$130,950	\$147,250
110% of Area Median Income	\$120,000	\$137,150	\$154,300
115% of Area Median Income	\$125,450	\$143,400	\$161,300
120% of Area Median Income	\$130,900	\$149,650	\$168,300

Source: SF Mayor's Office of Housing and Community Development Maximum Income by Household Size.

Appendix Table A-8
Bureau of Labor Statistics Consumer Expenditure Survey (Table 1203)
3333/3700 California St EIFD Support; EPS #231038

Item	All consumer units	\$200,000 and more	Percent Taxable
Income before taxes	\$94,003	\$322,568	
Average annual expenditures	\$72,967	\$167,088	
<u>RETAIL SPENDING</u>			
Apparel and Services			
Apparel Incl. Footwear	\$1,662	\$3,407	100%
Other Apparel and Services (1)	\$283	\$1,001	90%
Personal care products and services (2)	\$866	\$1,686	25%
Reading (3)	\$117	\$238	85%
Tobacco products and smoking supplies	\$371	\$237	100%
Food at home (4)	\$5,703	\$9,136	35%
Food away from home	\$3,639	\$8,542	100%
Alcoholic beverages	\$583	\$1,439	100%
Housekeeping supplies	\$787	\$1,245	100%
Household furnishings and equipment	\$2,606	\$6,320	100%
Vehicle purchases (net outlay)	\$4,496	\$9,857	100%
Gasoline, other fuels, and motor oil	\$3,120	\$4,701	100%
Drugs (5)	\$615	\$880	25%
Education (6)	\$134	\$557	10%
Entertainment			
Fees and admissions	\$833	\$2,943	0%
Audio and visual equipment and services	\$1,020	\$1,704	90%

Appendix Table A-8 *continued*
Bureau of Labor Statistics Consumer Expenditure Survey (Table 1203)
3333/3700 California St EIFD Support; EPS #231038

Item	All consumer units	\$200,000 and more	Percent Taxable
Pets, toys, hobbies, and playground equipment	\$908	\$1,809	100%
Other entertainment supplies, equipment, and services	\$698	\$2,401	90%
Total Retail	\$28,441	\$58,103	
Total Retail % of Income	30.3%	18.0%	
Taxable Retail	\$22,452	\$46,249	
Taxable Retail % of Income	23.9%	14.3%	

- (1) 10% is assumed to be services (tailoring/repairs) (nontaxable); 90% is assumed to be accessories (taxable)
- (2) Category includes taxable products (25%) and non-taxable services (e.g., hair, nails) (75%)
- (3) 15% is assumed to be e-reading sales (nontaxable)
- (4) Assumption reflects data showing taxable sales of \$300 out of \$900 gross sales PSF at Whole Foods (HdL and EPS research)
- (5) 75% is assumed to be on prescription (nontaxable) drugs
- (6) 10% of education spending assumed to be books and materials (taxable); 90 % is assumed to be services (nontaxable)
- (7) 10% is assumed to be services (nontaxable)
- (8) 10% is assumed to be services (nontaxable)

Source: Bureau of Labor Statistics Consumer Expenditure Survey (Table 1203) 2021 & 2022

Appendix Table A-9
Bureau of Labor Statistics Consumer Expenditure Survey (By Age)
3333/3700 California St EIFD Support; EPS #231038

Item	Percent Taxable	55-64 Years	65-74 Years	75 Years and Older	55 Years and Older	3333 Affordable Senior Housing - Categories
Number of Consumer Units (in thousands)		24,433	21,728	15,255	61,416	
Average Income (before taxes)		\$105,498	\$68,059	\$49,392	\$78,317	
Average Annual Expenditures		\$78,079	\$60,844	\$53,481	\$65,872	
Food	50%	\$9,791	\$8,198	\$6,020	\$8,291	Taxable Retail
Alcoholic beverages	100%	\$661	\$573	\$320	\$545	Taxable Retail
Housing		\$24,140	\$21,094	\$19,317	\$21,864	Rent
Apparel and services	90%	\$1,830	\$1,357	\$801	\$1,407	Taxable Retail
Transportation		\$13,596	\$9,550	\$6,209	\$10,330	Other
Health Insurance		\$4,075	\$5,305	\$5,238	\$4,799	Other
Medical Services		\$144	\$1,068	\$1,247	\$745	Other
Drugs	25%	c/	\$792	\$917	\$844	Taxable Retail
Medical supplies		\$259	\$257	\$307	\$270	Other
Entertainment	90%	\$3,698	\$3,182	\$1,943	\$3,080	Taxable Retail
Personal care products and services	25%	\$899	\$790	\$586	\$783	Taxable Retail
Reading	85%	\$108	\$147	\$159	\$134	Taxable Retail
Education	10%	\$1,537	c/	c/	\$1,537	Taxable Retail
Tobacco products and smoking supplies	100%	\$541	\$334	\$158	\$373	Taxable Retail
Micellaneous		\$1,161	\$923	\$963	\$1,028	Other
Cash Contributions		\$3,089	\$2,811	c/	\$2,958	Other
Personal Insurance and Pensions		\$10,329	\$4,057	\$2,196	\$6,090	Other
Adjusted Total Taxable Retail Spending						\$9,776
Percent of Income						12%

(1) The rents associated with the senior housing at 3700 California St are assumed to include the provision of most if not all meals, as well as additional services on site. Therefore residents are assumed to spend less on taxable goods.

Sources: US Bureau of Labor Statistics Consumer Expenditure Survey (Table 1300); Economic & Planning Systems, Inc.,

Table A-10
Gross Receipts Tax Revenue Detail
3333/3700 California St EIFD Support; EPS #231038

	Retail	Restaurant	Child Care	Senior Services (Affordable Housing)	Senior Living	Building Services	Leasing Services
Employees	54	54	23	31	371	38	13
Sales(1)	\$30,224,168	\$7,121,570	\$3,382,149		\$43,247,052	\$6,371,491	\$17,891,737
Sales/Employee	\$555,387	\$130,863	\$145,646		\$116,506	\$166,706	\$1,404,375
Employees/Firm (2)	17.9	22.5	23.2		371	45.7	11.5
Gross Receipts Per Firm (3)	\$9,941,430	\$2,944,420	\$3,382,149		\$43,247,052	\$7,618,450	\$16,150,312
<i>Tax Rate Tiers by Business Activity</i>	<i>Category 1</i>	<i>Category 1</i>	<i>Category 5</i>	<i>Category 5</i>	<i>Category 5</i>	<i>Category 3</i>	<i>Category 3</i>
\$0 - \$1M							
Tax Rate	0.10%	0.10%	1.00%		1.00%	0.41%	0.41%
Tax Revenue per Business	\$1,000	\$1,000	\$10,000		\$10,000	\$4,100	\$4,100
\$1M - \$2.5M							
Tax Rate	0.13%	0.13%	1.00%		1.00%	0.41%	0.41%
Tax Revenue per Business	\$1,950	\$1,950	\$15,000		\$15,000	\$6,150	\$6,150
\$2.5M - \$25M							
Tax Rate	0.18%	0.18%	1.50%		1.50%	0.44%	0.44%
Tax Revenue per Business	\$13,395	\$800	\$13,232		\$337,500	\$22,521	\$60,061
\$25M - \$50M							
Tax Rate	0.34%	0.34%	1.18%		1.18%	0.44%	0.44%
Tax Revenue per Business	\$0	\$0	\$0		\$215,315	\$0	\$0
Effective Tax Rate Per Business	0.16%	0.00%	0.00%		1.34%	0.43%	0.44%
Gross Receipts Tax Revenue Per Business	\$16,345	Tax Exempt	Tax Exempt	Tax Exempt	\$577,815	\$32,771	\$70,311

(1) Sales data derived from IMPLAN sales output for San Francisco.

(2) Employees per firm estimate based on citywide average by NAICS category from 2017 Economic Census data for City of San Francisco.

(3) Analysis assumes all gross receipts are allocated to San Francisco.

Sources: City of San Francisco Gross Receipts Tax 2025 Rates



San Francisco Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street)

Budget & Finance Committee



 SAN FRANCISCO
OFFICE OF ECONOMIC &
WORKFORCE DEVELOPMENT

January 14, 2026

3333/3700 California Street EIFD PFA – Timeline

- November 5, 2024 – Resolution of Intention to Establish EIFD No. 3 (3333/3700 California Street) (“3333/3700 California Street EIFD”) approved by the Board of Supervisors
- November 19, 2024 – Amendment to Development Agreement for 3333 California Street Project approved by the Board of Supervisors
- July 2025 through January 2026 – Three Public EIFD Financing Authority No. 1 (PFA) meetings held, including first public hearing on the Infrastructure Financing Plan (IFP)
- January 14, 2026 – Budget & Finance Committee:
 - Public hearing on IFP
 - Consideration of Resolution approving the IFP and Related Documents and Actions

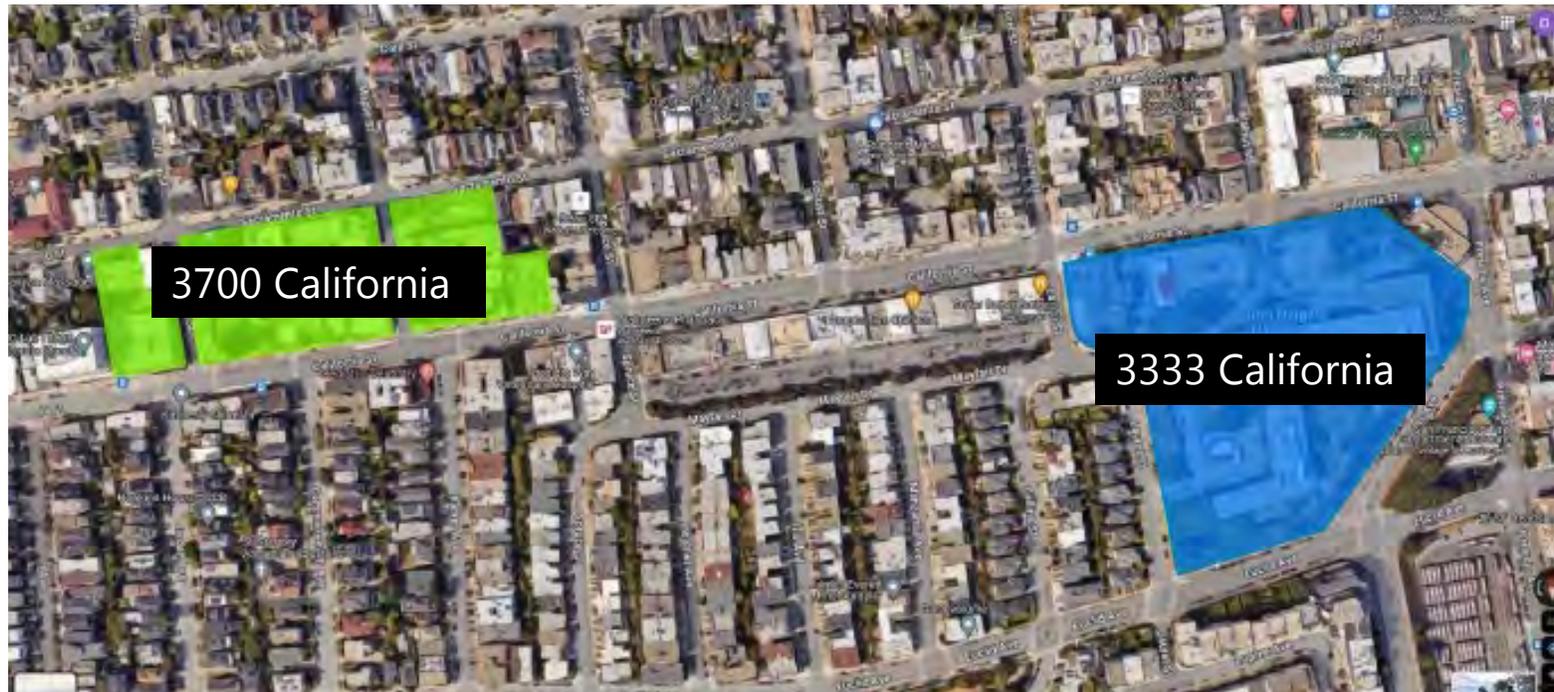
Goal of the 3333/3700 California Street EIFD

- The City's goal in proposing establishment of the EIFD was to help address a shortfall in financing for the provision of Facilities of communitywide significance that provide significant benefits and promote economic development and the construction of housing (including affordable housing) within the boundaries of the EIFD or the surrounding community



3333 & 3700 California Project Locations

- **3700 California** is located on a 4.9-acre site that encompasses 14 parcels. The site was previously occupied by Sutter Health's CPMC California Street Campus - all buildings are currently vacant.
- **3333 California** is located on a 10.25-acre site at the intersection of Laurel Heights and Presidio Heights. The site was previously occupied by UCSF's Laurel Heights Campus and is now vacant.



3333 California Street Project – Major Elements

- 744 residential units (125 senior affordable)
- 38,094 square feet of neighborhood-serving retail space
- A 13,933 square foot childcare space (175 seats)
- 3 acres of new public open space
- Sidewalk and streetscape improvements
- Adaptive reuse of existing office building to residential



3700 California Street Project – Major Elements

- 530 total market-rate units including:
 - 298 residential units
 - 232-unit senior living community (continuum of care)
- Sidewalk and streetscape improvements
- Adaptive reuse of Marshal Hale hospital building

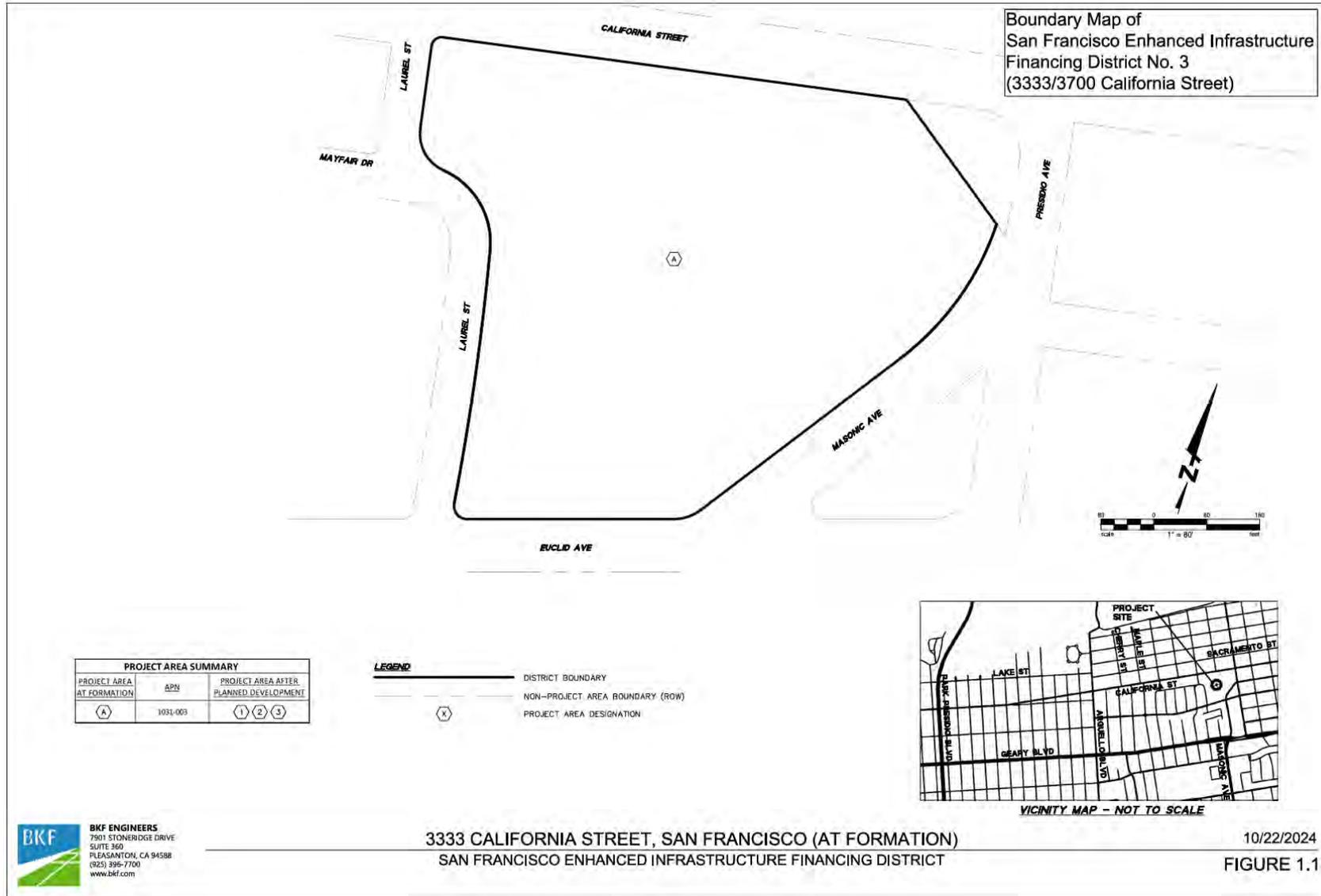


Infrastructure Financing Plan (IFP) Overview

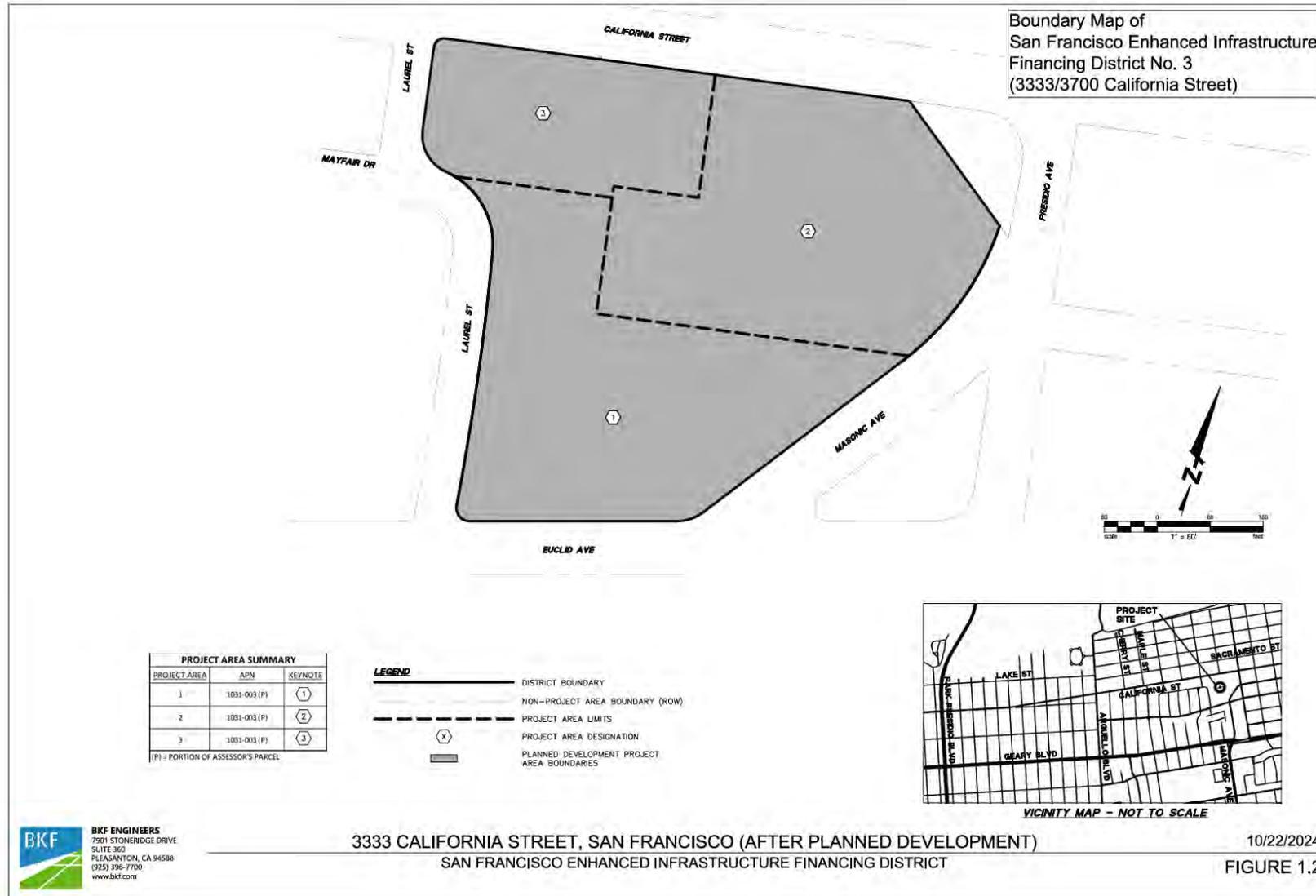
Key Elements of the IFP include:

1. Map and legal description of the 3333/3700 California Street EIFD (including multiple project areas)
2. Proposed public facilities and other forms of development and financial assistance proposed in the area of the 3333/3700 California Street EIFD
3. Communitywide significance finding
4. Financing Plan
 - a. Description of tax increment allocated to the 3333/3700 California Street EIFD
 - b. Projection of tax increment
 - c. Financing plan for facilities to be assisted by the 3333/3700 California Street EIFD
 - d. Aggregate limit on tax increment allocated to the 3333/3700 California Street EIFD
 - e. Time limit on tax increment allocation
 - f. Costs of providing facilities/services to the 3333/3700 California Street EIFD and projected revenues from development in the 3333/3700 California Street EIFD
 - g. Fiscal Impact Analysis
 - h. Goals of the 3333/3700 California Street EIFD for each project

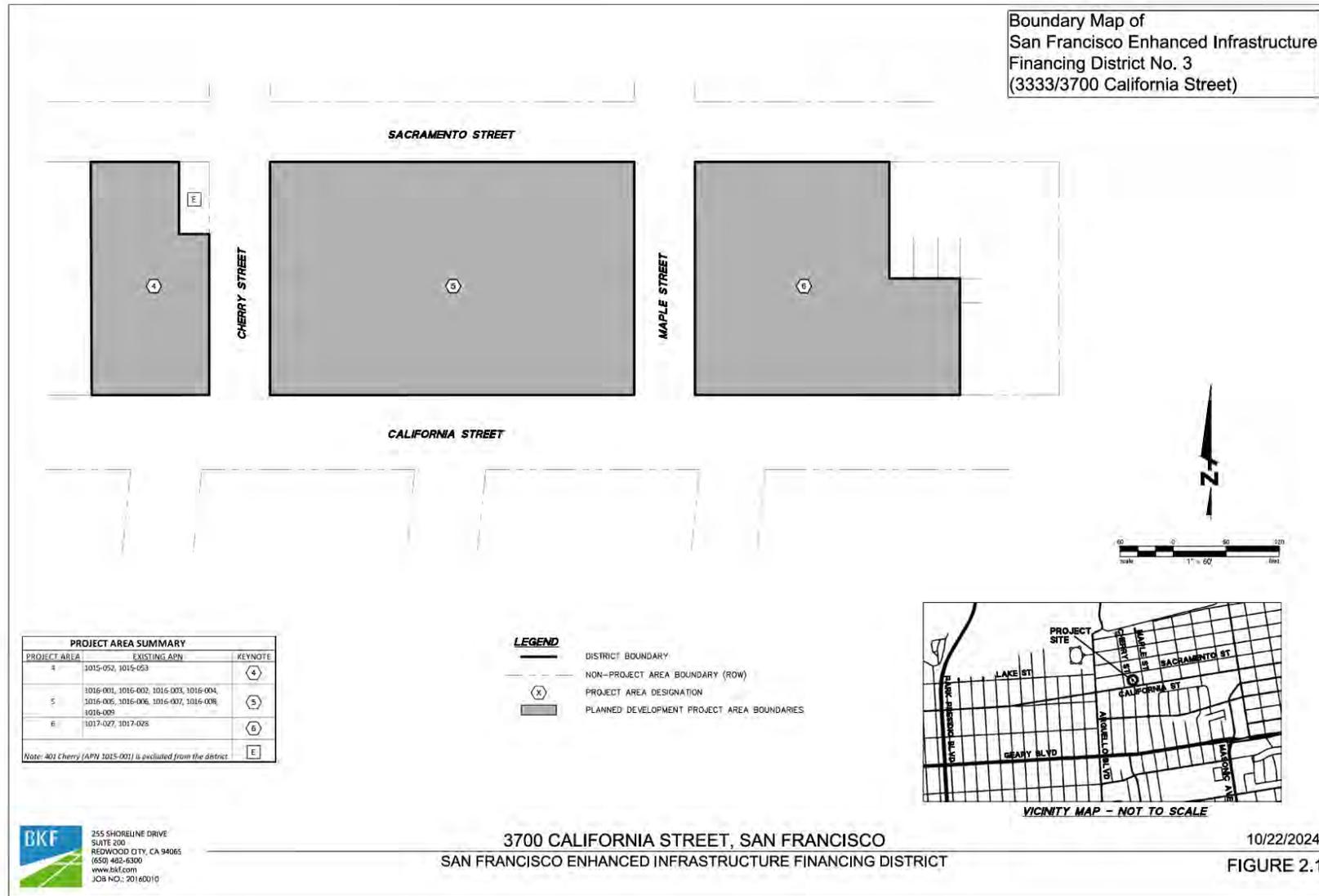
3333 California Street Map at Formation



3333 California Street Anticipated Map After Subdivision



3700 California Street Map



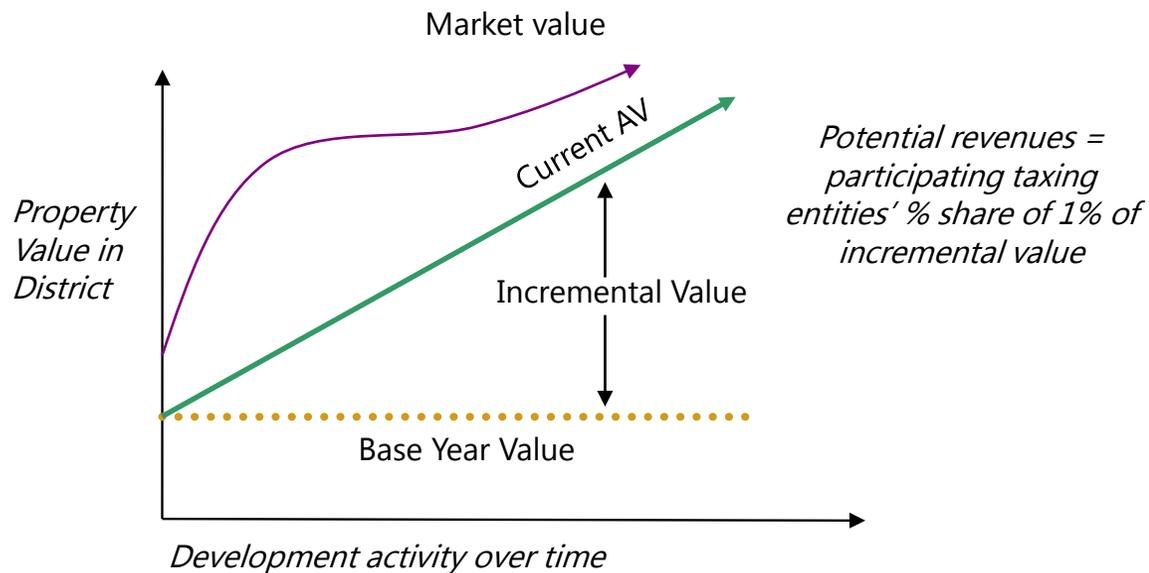
Description of EIFD Facilities

- Public capital facilities or other projects (whether publicly- or privately-owned) of communitywide significance that are:
 - i. authorized by the EIFD Law and
 - ii. related to the development of the project known as the 3333/3700 California Street Project, including public capital facilities, privately-owned parks, open spaces, streets, streetscapes, and privately-owned affordable housing costs

Public Facility	Estimated Improvement Costs (\$millions)	Estimated Timing	Location
Demolition, abatement, stabilization, rehabilitation	\$30.0	2026-2031	3333 California Street Project
Parks / Open Spaces	\$12.0	2026-2031	3333 California Street Project
Streets	\$20.0	2026-2031	3333 California Street Project
Site Work	\$60.0	2026-2031	3333 California Street Project
Utilities	\$26.0	2026-2031	3333 California Street Project
Affordable Housing	\$105.0	2027-2030	3333 California Street Project
Demolition, abatement, stabilization, rehabilitation	\$36.0	2026-2029	3700 California Street Project
Streets, Sidewalks, & Utilities	\$31.0	2026-2029	3700 California Street Project
Affordable Housing (off-site)	\$31.0	2027-2030	3700 California Street Project
Total	\$351.0		

Tax Increment Allocation

- The 3333/3700 California Street EIFD is projected to generate tax increment by capturing growth in assessed value in the EIFD above the FY2025-26 base year value of \$155.6M
- A portion of the increase in property tax revenues is allocated to fund infrastructure and other projects of communitywide significance
- Allocated Tax Revenue will be used to pay bond debt service and paygo costs
- Conditional Tax Revenue is only intended to provide debt service coverage for bonds and must be repaid to City if used



Gross Tax Increment as a % of Incremental Assessed Property Value	1.0000%
Non-City Share of Gross Tax Increment	35.4118%
City Share of Gross Tax Increment	64.5882%
Allocated Tax Revenue = 58.252419% of the City Share of Increment ¹	37.6242%
Conditional Tax Revenue = 41.747581% of the City Share of Increment ¹	26.9640%

1. The City IFD Guidelines provide that the City can allocate 50% of total incremental property tax revenues and 50% of property tax in lieu of vehicle license fee (VLF) revenues to the EIFD. For ease of implementation, the City will allocate 58.3% of its total incremental property tax revenues, which is equal to 50% of its total incremental property tax revenues and 50% of its incremental property tax in lieu of vehicle license fee (VLF).

Projected Tax Increment and Fiscal Impact

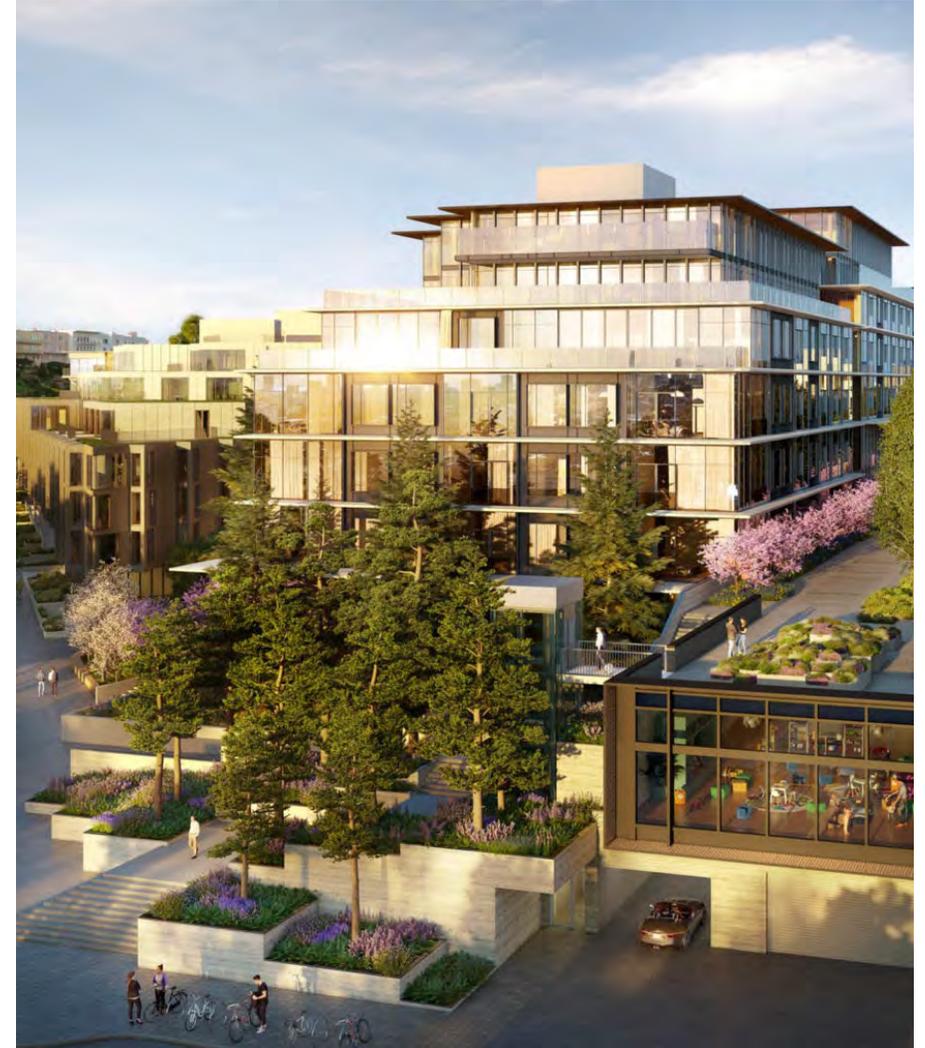
- Projected Aggregate Allocated Tax Revenue: \$477.3 million
 - Maximum Aggregate Allocated Tax Revenue: \$955.0 million¹
- Projected Aggregate Conditional Tax Revenue: \$342.1 million
 - Maximum Aggregate Conditional Tax Revenue: \$684.0 million¹
- Assuming the 3333/3700 California Street Project achieves the sponsor's performance projections, the Project is estimated to annually generate a \$1.4 million net fiscal benefit to the City's General Fund at buildout



1. Nominal dollars over the life of the 3333/3700 California Street EIFD

EIFD Policy Compliance

- ✓ Large scale project with significant rezoning, extensive need for infrastructure, and IFD funding necessary for feasibility
- ✓ Project results in a net fiscal benefit to General Fund after tax increment diversion
- ✓ 50% of tax increment allocated to EIFD, remainder continues to flow to City
- ✓ Debt payments for this EIFD plus all other formed IFDs are not projected to exceed 5% of annual property tax revenue
- ✓ Subject to ten year “use it or lose it” requirement



3333/3700 California Street EIFD Formation Next Steps



Date	Milestones	BOS / PFA
January 14, 2026	Budget & Finance Committee Public Hearing and Consideration of Resolution Approving the IFP and Related Documents and Actions	BOS
January 27, 2026*	Board of Supervisors Consideration of Resolution Approving the IFP and Related Documents and Actions	BOS
February 12, 2026*	Second Public Hearing of the PFA Vote whether to Adopt IFP Vote whether to Establish Stonestown EIFD	PFA

**Estimated based on current schedule*

Appendix



Description of 3333/3700 California Street EIFD Project Areas

- The 3333/3700 California Street EIFD will consist of four project areas at formation. Upon further subdivision of certain properties, the 3333/3700 California Street EIFD is expected to consist of six project areas.

Project Area at Formation of EIFD	Project Area After Subdivision	APN at Formation ¹	APN Square Feet	FY 2025/26 Assessed Value
Project Area A	Project Area 1	1032-003	447,360	\$106,486,964 ¹
	Project Area 2			
	Project Area 3			
Project Area 4	Project Area 4	1015-052 and 1015-053	32,619	\$9,436,428
Project Area 5	Project Area 5	1016-001, 1016-002, 1016-003, 1016-004, 1016-005, 1016-006, 1016-007, 1016-008, 1016-009	109,390	\$29,672,208
Project Area 6	Project Area 6	1017-027 and 1017-028	68,949	\$10,024,254
Total			658,318	\$155,619,854

¹ The property's taxable value will reflect the property's gross value of \$106,486,964, without regard to any exemptions related to a recently-terminated lease with the University of California, San Francisco. At formation of the EIFD, the assessed value of all Project Areas will be \$155,619,854.

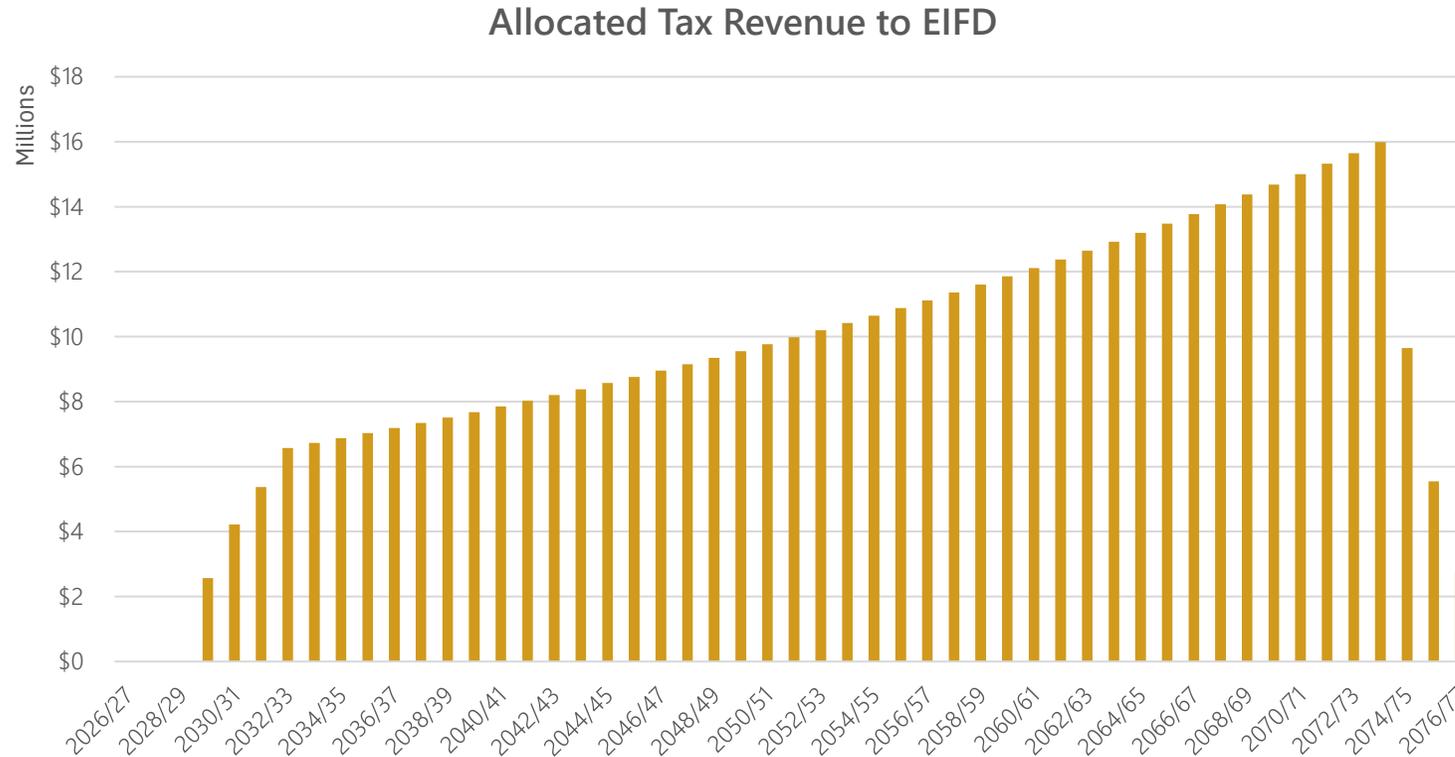
Finding of Communitywide Significance

Communitywide Significance Finding (See Section C of IFP for details)

- Finding assumes that the formation of the 3333/3700 California Street EIFD will enable the development of the 3333/3700 California Street Project, for which the City has determined will provide clear benefits to the public and neighboring communities, including:
 - i. affordable housing in excess of the number of units required pursuant to existing City ordinances, regulations, and policies
 - ii. workforce obligations, including significant training, employment, and economic development opportunities, related to the development and operation of the 3333/3700 California Street Project
 - iii. construction and maintenance of publicly accessible open space, totaling approximately 2.87 acres
 - iv. delivery of childcare spaces
 - v. measures to prioritize and promote travel by walking, biking, and transit and Streetscape Improvements

Financing Section

Projection of Allocated Tax Revenues



- Allocated Tax Revenue is projected to total \$477.3 million and Conditional Tax Revenue is projected to total \$342.1 million across all Project Areas
- For each project area, the 45-year clock commences once \$100k of increment in a given fiscal year is allocated

Click on this page to be redirected to the Legislative Research Center to view the entirety of this voluminous document.



Doc # 2020015925

RECORDING REQUESTED BY
CLERK OF THE BOARD OF SUPERVISORS
OF THE CITY AND COUNTY OF SAN FRANCISCO

City and County of San Francisco
Carmen Chu, Assessor – Recorder

9/11/2020	11:04:25 AM	Fees	\$0.00
Pages 254	Title 013 VT	Taxes	\$0.00
Customer 028		Other	\$0.00
		SB2 Fees	\$0.00
		Total	\$0.00

AND WHEN RECORDED MAIL TO:

Angela Calvillo
Clerk of the Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

(Exempt from Recording Fees Pursuant to
Government Code Section 27383)

DEVELOPMENT AGREEMENT

BY AND BETWEEN

THE CITY AND COUNTY OF SAN FRANCISCO

AND LAUREL HEIGHTS PARTNERS, LLC

FOR PROPERTY LOCATED AT 3333 CALIFORNIA STREET

Block 1032 Lot 003

12392.005 4836-6420-9353.2



Doc # 2024048267

RECORDING REQUESTED BY
CLERK OF THE BOARD OF SUPERVISORS
OF THE CITY AND COUNTY OF SAN FRAN

City and County of San Francisco				
Joaquin Torres, Assessor – Recorder				
6/26/2024	10:40:00 AM	Fees		\$0.00
Pages 33	Title 459 ES	Taxes		\$0.00
Customer 028		Other		\$0.00
		SB2 Fees		\$0.00
		Paid		\$0.00

AND WHEN RECORDED MAIL TO:

Angela Calvillo
Clerk of the Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

(Exempt from Recording Fees Pursuant to
Government Code Section 27383)

APN 1032-003, 3333 California Street

MEMORANDUM OF MINOR MODIFICATION OF
DEVELOPMENT AGREEMENT (AMENDMENT NO. 1)

This Memorandum of Minor Modification of Development Agreement (Amendment No. 1) (this “**Amendment No. 1**”), dated for reference purposes as of June 5, 2024, is made by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the “**City**”), acting by and through its Planning Department, and LAUREL HEIGHTS PARTNERS LLC, a Delaware limited liability company (“**Developer**”).

Recitals

A. City and Developer entered into a Development Agreement dated as of September 11, 2020, and recorded in the Official Records against certain property described in Exhibit A (the “**Project Site**”) on September 11, 2020, as Document No. 2020015925 (the “**Development Agreement**”). Any capitalized terms used in this Amendment No. 1 that are not defined will have the meanings given to such terms in the Development Agreement.

B. After the Project received its initial Approvals, litigation was filed against the Project (the “**Litigation**”), and Developer and plaintiffs eventually entered into that certain Settlement Agreement, dated November 18, 2020 (the “**Settlement Agreement**”), which required certain changes to the Project.

C. City and Developer (the “**Parties**”) now wish to modify the Development Agreement as set forth below, to reflect the extension of the Development Agreement’s term as a result of the Litigation and the minor modifications to the Project as a result of the Settlement Agreement. City has determined that this Amendment No. 1 does not constitute a Material Change under the Development Agreement and accordingly may be agreed to by the Planning Director pursuant to Section 11.1 of the Development Agreement.

Now therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows, and effective as of the date of this Amendment No. 1, the Development Agreement is modified as follows:

AGREEMENT

1. Extensions due to Litigation. The Effective Date of the Development Agreement is September 11, 2020. However, as a result of the Litigation, which was resolved through a Settlement Agreement entered into as of November 18, 2020, the Term of the Development Agreement is hereby extended as follows: (i) the fifteen (15) year Term of the Development Agreement shall expire at 5:00 p.m. Pacific time on November 19, 2035; and (ii) the last day of the five (5) year deadline by which Developer must commence construction under Section 11.2 (Early Termination Rights) of the Development Agreement shall be November 18, 2025. The foregoing dates shall be subject to any additional extensions that may be applicable during the Term.

2. Euclid Green. Pursuant to the terms of the Settlement Agreement, the southernmost duplex townhome building in the Laurel Duplexes shall not be constructed, and instead, Euclid Green shall be expanded as shown on Exhibit B to this Amendment No. 1. Accordingly, all descriptions and depictions in the Development Agreement of (i) the Laurel Duplexes as consisting of fourteen (14) townhomes (comprised of seven (7) duplexes) shall be modified to be twelve (12) townhomes (comprised of six (6) duplexes), (ii) Euclid Green as consisting of approximately 18,004 square feet shall be modified to be approximately 21,104 square feet, and (iii) the Publicly Accessible Private Improvements as consisting a total of approximately 125,226 square feet of public useable open area shall be modified to be a total of approximately 128,326 square feet. The existing Exhibits B-1 (Project Site Plan) and C-1 (Open Space Plan) of the Development Agreement are hereby modified to reflect the removal of the duplex townhome and expansion of Euclid Green consistent with this Section 2 and the attached Exhibit B.

3. Pine Street Stairs. Pursuant to the terms of the Settlement Agreement, the Pine Street Steps (described as the “Presidio Steps” in the Settlement Agreement) shall be modified to convert the lowest level landscaped planter areas to at-grade open space areas, subject to final design details and approvals by the City. Accordingly, all references in the Development Agreement to the Pine Street Steps being comprised of stairs with landscaped planters along the edges shall be modified to describe them as being comprised of stairs with landscaped planters and green area along the edges, and all depictions of the Pine Street Steps in the Development Agreement shall be replaced with the depiction of the Pine Street Steps in the attached Exhibit C.

4. Street Trees. The City Approvals described in Exhibit E to the Development Agreement include a Major Encroachment Permit approved by the City’s Board of Supervisors under Ordinance 278-19, which included the plan for removing and replacing Street Trees (as defined in San Francisco Public Works Code Section 810A). Pursuant to the terms of the Settlement Agreement, the Developer requested approval from the City’s Director of Public Works to modify the Street Tree plan described in the Major Encroachment Permit (the “**Original Street Tree Plan**”) by removing nine (9) of the southernmost Street Trees proposed on Laurel Street and thirteen (13) of the westernmost Street Trees proposed on Euclid Avenue. As described in the Encroachment Permit and Maintenance Agreement between City and Developer and recorded in

the Official Records of San Francisco County substantially simultaneously herewith (the “**Encroachment Agreement**”), the Director of Public Works agreed that the approved Original Street Tree Plan could be modified to remove five (5) of the southernmost Street Trees proposed on Laurel Street and eight (8) of the westernmost Street Trees proposed on Euclid Avenue on the conditions specified in the Encroachment Agreement. Accordingly, the general depictions of the potential locations of the new thirteen (13) Significant Trees (as defined in Public Works Code Section 802 as in effect on August 25, 2021) to be planted within the Project Site under the Encroachment Agreement (as replacement for the thirteen (13) Street Trees that are removed from the Original Street Tree Plan) are depicted in Exhibit D to this Amendment No. 1 and Exhibits C-1 and C-3 of the Development Agreement are modified to reflect the removal of the thirteen (13) Street Trees.

5. Revised Public Access Declaration. The Exhibit C-3 (Public Access Declaration) attached to this Amendment No. 1 at Schedule 1, which has been modified to reflect the modifications described in this Amendment No. 1, shall replace the existing Exhibit C-3 to the Development Agreement.

6. Miscellaneous.

a. Incorporation. All of the Recitals to this Amendment No. 1 are true and correct and are hereby incorporated into this Amendment No. 1. This Amendment No. 1 constitutes a part of the Development Agreement and any reference to the Development Agreement shall be deemed to include a reference to the Development Agreement as amended by this Amendment No. 1.

b. Effective Date; Nullification. This Amendment No. 1 shall be effective on the date that it is signed by the Parties and recorded in the Official Records. If the portions of the Project that are modified pursuant to Sections 2, 3 or 4 of this Amendment No. 1 are not completed prior to the expiration or sooner termination of the Term of the Development Agreement and the obligation to complete such portions of the Project does not survive such expiration or termination of the Term, then the modifications set forth in Sections 2, 3 or 4 for such uncompleted portions shall no longer be required, shall be null and void *ab initio*.

c. Ratification. To the extent of any inconsistency between this Amendment No. 1 and the Development Agreement or other Approvals, the provisions contained in this Amendment No. 1 shall control. As amended by this Amendment No. 1, all terms, covenants, conditions, and provisions of the Development Agreement shall remain in full force and effect.

d. Governing Law; Venue. This Amendment No. 1 shall be governed by and construed in accordance with the laws of the State of California.

e. Integration. This Amendment No. 1 contains the entire agreement between the Parties with respect to the subject matter of this Amendment No. 1. Any prior correspondence, memoranda, agreements, warranties or representations relating to such subject matter are superseded in total by this Amendment No. 1.

Signatures Appear on Following Page

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 1 as of the day and year first above written.

CITY:

APPROVED AS TO FORM:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

DAVID CHIU, City Attorney

By:



Rich Hillis
Director of Planning

By:



Carol Wong, Deputy City Attorney

[DEVELOPER'S SIGNATURE ON FOLLOWING PAGE]

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

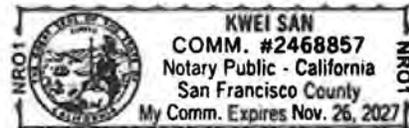
County of San Francisco)

On June 18th, 2024 before me, Kwei San, Notary Public
(insert name and title of the officer)

personally appeared Rich Hillis
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in
his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Kwei San (Seal)

DEVELOPER:

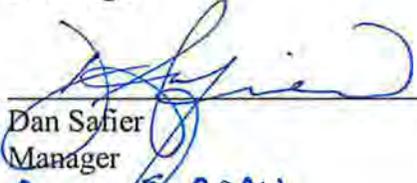
LAUREL HEIGHTS PARTNERS LLC,
a Delaware limited liability company

By: 3333 California LP,
a Delaware limited partnership,
its Manager

By: PSKS LH LLC,
a Delaware limited liability company,
its General Partner

By: Prado LH LLC,
a California limited liability company,
its Manager

By: TPG MGR LLC,
a California limited liability company,
its Manager

By: 
Name: Dan Safier
Title: Manager
June 5, 2024

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Francisco

On June 5, 2024, before me, Andrea D. Hayes, a Notary Public, personally appeared Daniel J. Saffer who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Andrea D. Hayes



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Francisco

On June 5, 2024, before me, Andrea D. Hayes, a Notary Public, personally appeared Daniel J. Saper, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Andrea D. Hayes



Exhibit A

LEGAL DESCRIPTION OF THE PROJECT SITE

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN FRANCISCO, IN THE COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

BEGINNING at a point on the Southerly line of California Street, said point being the Easterly extremity of the curve with a 15 foot radius joining the Easterly line of Laurel Street with the Southerly line of California Street, as shown on "Map of Laurel Heights, filed July 28, 1947, in Map Book "P", at Pages 55 and 56, Official Records of the City and County of San Francisco; running thence North 80°54' East 707.375 feet along the Southerly line of California Street to the Southwesterly boundary of the property of the Standard Oil Company of California; thence South 52°36' 29.74 seconds East along said boundary 232.860 feet; thence Southwesterly along the arc of a curve to the right whose tangent deflects 54°14' 30.74 seconds to the right from the preceding course, radius 425 feet, central angle 34°15'59", a distance of 254.176 feet; thence South 35°54' West tangent to the preceding curve 380.066 feet; thence Southwesterly along the arc of a curve to the right, tangent to the preceding course, radius 65 feet, central angle 37°18' a distance of 42.316 feet to tangency with the Northwesterly line of Euclid Avenue; thence South 73°12' West along said line of Euclid Avenue 312.934 feet; thence leaving said line of Euclid Avenue, and running Southwesterly, Westerly, and Northwesterly along the arc of a curve to the right, tangent to the preceding course, radius 20 feet, central angle 100°48' 01.51", a distance of 35.186 feet; thence Northwesterly along the arc of a reverse curve to the left, parallel to and concentric with and radially distant 6 feet Northeasterly from the Northeasterly line of Laurel Street, as shown on said map of Laurel Heights, radius 4033 feet, central angle 5°31' 20.27", a distance of 388.710 feet; thence Northwesterly along the arc of a compound curve to the left, radius 120 feet, central angle 71°12' 55.45", a distance of 149.153 feet; thence Northwesterly along the arc of a reverse curve to the right, radius 60 feet, central angle 73°38' 14.21', a distance of 77.113 feet to tangency with the Easterly line of Laurel Street; thence North 9°06' West along said line of Laurel Street 127.290 feet to the beginning of the above mentioned curve joining the Easterly line of Laurel Street with Southerly line of California Street; thence Northwesterly, Northerly, and Northeasterly along the arc of a curve to the right, radius 15 feet 90°00', a distance of 23.562 feet to tangency with the Southerly line of California Street and the point of beginning.

APN: **Lot 003, Block 1032**



3333 CALIFORNIA STREET SAN FRANCISCO, CA

LANDSCAPE SITE PLAN








09.06.2019
PLANNING APPLICATION SUBMITTAL

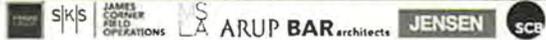


L2.00



3333 CALIFORNIA STREET SAN FRANCISCO, CA

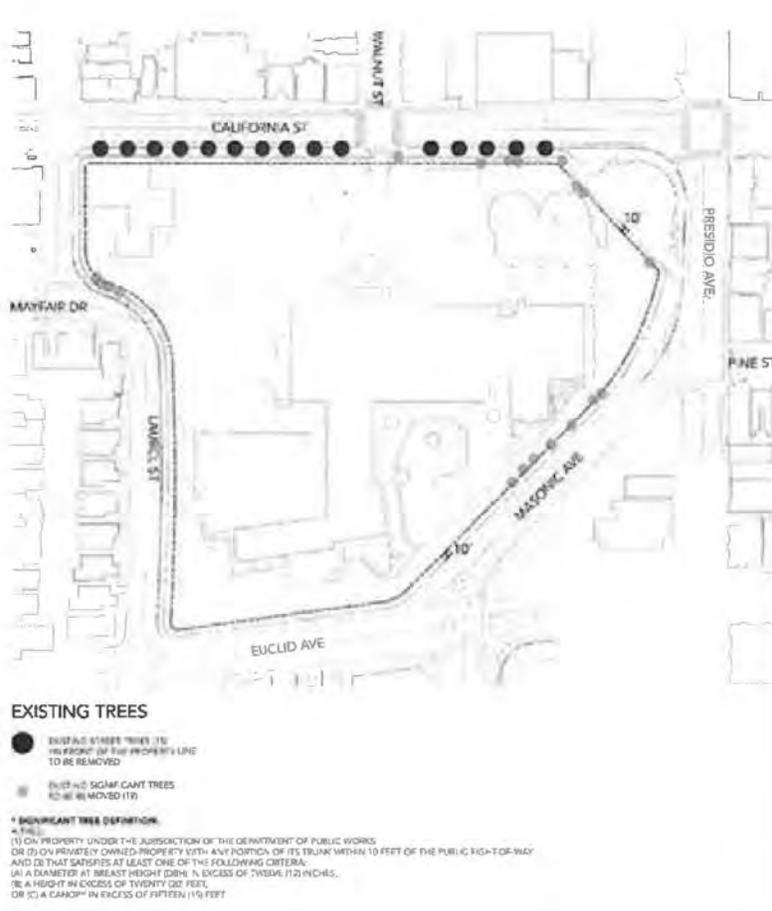
ENLARGED PLAN - PINE STREET STEPS STREETScape IMPROVEMENTS



07 03 2019
PLANNING APPLICATION SUBMITTAL



Exhibit D

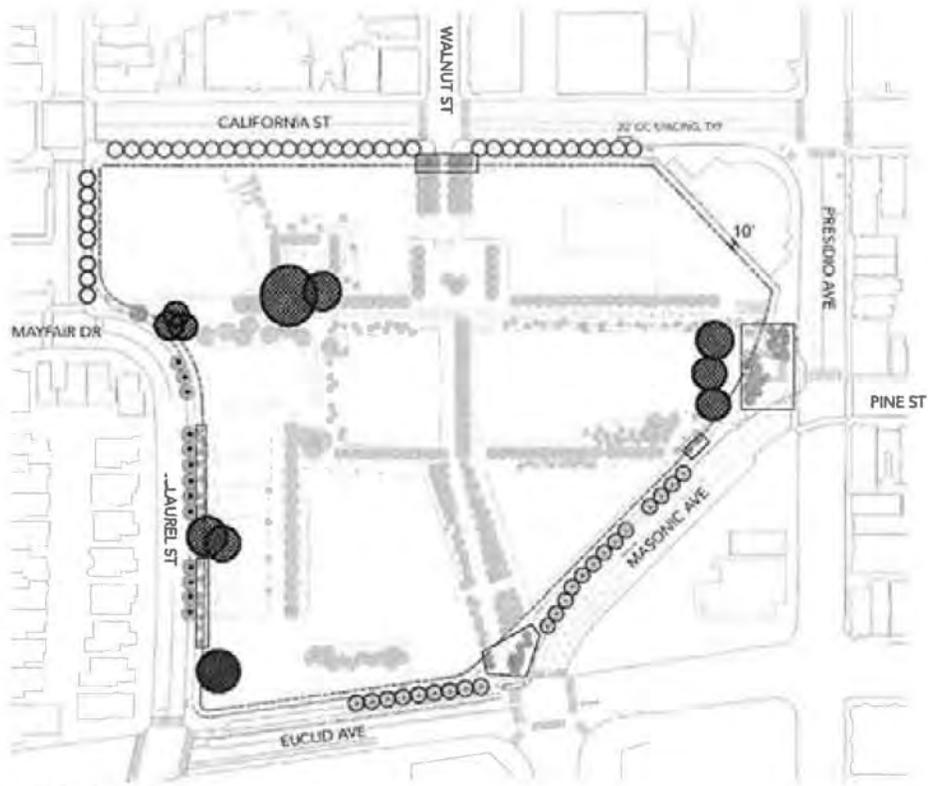


3333 CALIFORNIA STREET SAN FRANCISCO, CA

SITE DIAGRAM - TREES



L1.03A

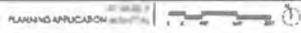


PROPOSED TREES

- PROPOSED STREET TREES AT CALIFORNIA ST (16)
FRUITLESS OLIVE 'OLEA EUROPAEA SWAN HILL'
- ⊙ PROPOSED STREET TREES (21)
DWARF GUMICO BILBA PRUNUS STON GEMM
- ⊛ PROPOSED STREET TREES (13)
ABSOLUS CARNEA
- ⊞ PROPOSED TREES WITHIN 10'
OF FEET OF THE PUBLIC RIGHT OF WAY (16)
- ⊙ PROPOSED TREES (14)
- KEY TREES TO BE PRESERVED (11)

3333 CALIFORNIA STREET SAN FRANCISCO, CA

SITE DIAGRAM - TREES



11.03A

Schedule 1

Revised Exhibit C-3 to the Development Agreement – Public Access Declaration

Exhibit C-3

Public Access Declaration

WHEN RECORDED MAIL TO:

Director of Planning
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, California 94102

The undersigned hereby declares this instrument to be exempt from Recording Fees (Govt. Code § 27383) and from Documentary Transfer Tax (CA Rev. & Tax. Code § 11922 and SF Bus. and Tax Reg. Code § 1105)

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

3333 California Street
APN 1032-003

DECLARATION OF PUBLIC ACCESS COVENANTS AND RESTRICTIONS

This Declaration of Public Access Covenants and Restrictions (“**Declaration**”) is made as of _____, 202_, by LAUREL HEIGHTS PARTNERS, LLC, a Delaware limited liability company (“**Declarant**”), in favor of the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (“**City**”).

RECITALS

A. Declarant owns an irregularly-shaped parcel in the City and County of San Francisco comprised of approximately 10.25 acres (approximately 446,468 square feet), generally bounded by California Street, Laurel Street, Euclid Avenue, Masonic Avenue, and Presidio Avenue, and further described in the attached Exhibit A (the “**Project Site**”).

B. Declarant intends to redevelop the Project Site as a large mixed-use development that will include residential, retail, commercial, child care, open space, parking, and related uses (the “**Project**”), under a Development Agreement between Declarant and City dated September 11, 2020 (the “**Original Development Agreement**”), approved by the City’s Board of Supervisors by Ordinance No. 276-19 on November 19, 2019, as modified by that certain Memorandum of Minor Modification of Development Agreement (Amendment No. 1) (“**Amendment No. 1**” and with the Original Development Agreement, collectively the “**Development Agreement**”), amendments to the City’s Planning Code and Zoning Map adopted by the City’s Board of Supervisors by Ordinance No. 275-19 on November 19, 2019, a street encroachment permit and associated encroachment permit and maintenance agreement approved by the Board of Supervisors by Ordinance No. 278-19 on November 19, 2019, and a conditional use permit approved by the Planning Commission in Motion 20516 on September 5, 2019.

C. Declarant's proposed Project buildings (each a "**Building**") are described in the attached Exhibit B-1 and depicted in the attached Exhibit B-2. Such descriptions and depictions are approximate. As part of the Project and pursuant to the Development Agreement, if Declarant constructs any Building during the term of the Development Agreement ("**DA Term**"), Declarant will develop certain publicly-accessible open spaces on the Project Site and operate and maintain such open space in accordance on the terms and conditions of this Declaration.

AGREEMENT

Now, therefore, in consideration of the City's approval and execution of the Development Agreement, Declarant declares as follows on behalf of itself and all future owners of the Project Site:

1. Construction.

(a) Timing. If Declarant constructs any Building during the DA Term, Declarant shall build the applicable Publicly Accessible Private Improvements (as defined in the attached Exhibit C) specified in the attached Exhibit C in compliance with the requirements of the Development Agreement, including in compliance with the installation schedule for each of the Publicly Accessible Private Improvements set forth in Section 2 of the attached Exhibit C, which schedule associates certain Publicly Accessible Private Improvements with a certain Building or Buildings.

(b) Conceptual Plans; Changes. If Declarant is obligated to construct Publicly Accessible Private Improvement pursuant to Section 1(a) above, then Declarant shall construct the Publicly Accessible Private Improvement substantially as described in the conceptual plans dated September 6, 2019, and stamped as Exhibit B in the City's Planning Department docket for Case No. 2015-014028CUA, as such plans may be modified pursuant to conditions of approval for the Project adopted by the City's Planning Commission on September 19, 2019 (the "**Conceptual Plans**"). The improvements described in the Conceptual Plans, as may be modified pursuant to this subsection (b), and as constructed pursuant thereto shall constitute the Publicly Accessible Private Improvements. Declarant shall have the right to modify and/or update the Conceptual Plans from time to time as it may determine in its sole business judgment, subject to the provisions of the following paragraph and provided further that any such modifications shall be subject to review and approval by the City acting in its regulatory capacity with respect to permit issuance, if applicable.

If, prior to completion of the Publicly Accessible Private Improvement, Declarant wishes to apply for any permits for improvements to a Publicly Accessible Private Improvement that materially differ from the Conceptual Plans or would materially and adversely impact the public's ability to access or use that Publicly Accessible Private Improvement for the Permitted Public Use (as defined in Section 4) (a "**Construction Modification**"), Declarant shall provide a copy of such plans to the City's Director of Planning (or successor City officer, if applicable) (the "**Planning Director**"). Any proposed Construction Modification shall be subject to the approval of the Planning Director, which may be withheld in his or her reasonable discretion. Declarant agrees it shall be reasonable for the Planning Director to withhold such approval if she or he determines the proposed Construction Modification does not meet the regulatory requirements or standards for the affected area.

(c) Declarant intends to form a master management association ("**Master Association**") for the Project Site for operations management, maintenance and repair of the commonly used areas and improvements, including Publicly Accessible Private Improvements, that are located within master common area parcels owned by the Master Association or within master common easement areas over

Project Site parcels/lots pursuant to easement agreements in which the Master Association is the benefitted party.

(d) Following completion of any Publicly Accessible Private Improvement, Declarant shall have the right to prepare a legal description of the Publicly Accessible Private Improvement and an amendment to this Declaration in which the precise location or boundaries of the particular Publicly Accessible Private Improvement are described in the legal description or shown on a site plan or map, and, subject to the City's review and approval of such amendment, record such amendment in the Official Records of the City and County of San Francisco ("**Official Records**").

2. **Maintenance and Modifications.** Following the completion of the Publicly Accessible Private Improvement, Declarant shall operate, maintain and repair that Publicly Accessible Private Improvement in a clean, litter-free and good condition for the life of the last remaining Building at the Project Site. If Declarant assigns such obligations for a completed Publicly Accessible Private Improvement to the Master Association in accordance with the requirements in Section 12 below, Declarant shall cause such Publicly Accessible Private Improvement to be so operated, maintained and repaired by the Master Association in accordance with Section 12 below.

Notwithstanding the foregoing paragraph, after the substantial completion of the Publicly Accessible Private Improvement, Declarant shall have the right to modify, renovate, replace and/or update the Publicly Accessible Private Improvement, including any improvements located within the boundaries of any Publicly Accessible Private Improvement (each, "**Change**"), subject to the provisions of this Declaration. Before submitting any permit application for a Change that would or could materially and adversely impact the public's ability to access or use any Publicly Accessible Private Improvement for the Permitted Public Use (each, "**Material Change**"), Declarant shall provide a copy of the plans to be submitted with such permit application to the Planning Director. All Material Changes are subject to the approval of the Planning Director, which approval may be withheld in his or her reasonable discretion. If the Planning Director fails to respond to an initial written request for approval to a proposed Material Change within sixty (60) days of receiving the initial request, Declarant shall send a second notice of the request, with a statement that failure to respond within twenty (20) days to the second notice will result in a deemed approval of the proposed Material Change. The Director's failure to respond to the second notice within twenty (20) days of receiving the second notice shall be deemed a City approval of the Material Change described in the notices.

In addition to the foregoing paragraph, Declarant shall give the Planning Director at least thirty (30) days advance notice of any proposed Change that is not a Material Change if the hard cost of such proposed modification is anticipated to exceed the Threshold Amount (defined as follows), but the Planning Director shall have no consent rights with respect to such modification. The "**Threshold Amount**" means an amount equal to One Hundred Thousand Dollars (\$100,000), which shall be increased by three percent (3%) on each anniversary of the recordation of this Declaration in the Official Records of San Francisco County.

3. **City Regulatory Approvals.** Prior to commencing the construction or maintenance of any Publicly Accessible Private Improvements, Changes, or Material Changes, Declarant shall obtain all City approvals Declarant is required to obtain from City for such activities in its regulatory capacity.

4. **Use; Operation.** On substantial completion of a Publicly Accessible Private Improvement, Declarant shall, or as applicable, cause the Master Association to, operate, maintain and repair such Publicly Accessible Private Improvement and make that Publicly Accessible Private Improvement available for the use, enjoyment and benefit of the public for open space and recreational purposes (the "**Permitted Public Use**") in accordance with the regulations attached as Exhibit D ("**Regulations**"). If

Declarant or the Master Association, as applicable, closes any Publicly Accessible Private Improvement pursuant to Section 5 of the Regulations, Declarant or the Master Association, as applicable, shall use commercially reasonable efforts to make note of and keep a record of such closure for at least two (2) years and shall provide a copy of such record to the City's Planning Director on request.

5. **Notice and Cure Rights.** Except as provided in this Section, City shall provide written notice (a "**Default Notice**") to the Declarant of any actual or alleged violation of the covenants or restrictions set forth in this Declaration before taking any enforcement action. Notwithstanding the foregoing, following the assignment of Declarant's obligations under this Declaration (including the use, maintenance and repair obligations) with respect to a completed Publicly Accessible Private Improvement to the Master Association and City's approval of the CC&Rs (as defined in Section 12 below) and budget for that completed Publicly Accessible Private Improvement, all in accordance with Section 12 below, a Default Notice for that completed Publicly Accessible Private Improvement shall be instead given to the Master Association; provided, however, that City shall also send a Default Notice to Declarant as long as Declarant has any obligations under Section 12 hereof.

Declarant or the Master Association, as applicable, shall have (i) a period of five (5) business days after receipt of a Default Notice to cure any violation in making a Publicly Accessible Private Improvement available for the Permitted Public Use as required in this Declaration ("**Public Access Violations**") described in that Default Notice and (ii) a period of thirty (30) days after receipt of a Default Notice to cure any other violation described in that Default Notice, provided that if the violation is not capable of cure within such 30-day period, Declarant or the Master Association, as applicable, shall have such additional time as shall be reasonably required to complete a cure as long as Declarant or the Master Association, as applicable, promptly undertakes action to commence the cure within the 30-day period and thereafter diligently prosecutes the same to completion. The time in which Declarant or the Master Association, as applicable, may cure is herein called the "**Declarant Cure Period**," and except for any Public Access Violations, City shall not exercise any legal or equitable remedies during the Declarant Cure Period (or if applicable, the Lender Cure Period) as long as Declarant (or if applicable, the Master Association or Lender, as defined in Section 6 below) is diligently pursuing such cure. Notwithstanding anything to the contrary herein, in no event shall the Declarant Cure Period exceed six (6) months.

City's rights and remedies in this Section 5 shall be subject to the provisions of Section 12.

Any notices required or permitted to be given under this Declaration shall be in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, or (c) by U.S. Express Mail or commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be addressed as follows, or such other address as either party may from time to time specify in writing to the other party:

Declarant:	c/o The Prado Group, Inc. 150 Post Street, Suite 320 San Francisco, CA 94108 Attn: Dan Safier
City:	Planning Director City and County of San Francisco 49 South Van Ness Avenue, Suite 1600 San Francisco, CA 94103

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

and to: Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Real Estate/Finance Team

Master Association: 150 Post Street, Suite 320
San Francisco, CA 94108
Attn: Dan Safier

6. **Lender Notice and Cure Rights.** As long as any deed of trust (other than and excluding deeds of trust, if any, on individual residential condominium units within Project Site parcels) encumbering any portion of the Project Site made in good faith and for value (each, an “**Encumbrance**”) shall remain unsatisfied of record, City shall give to the beneficiary of such Encumbrance (each, a “**Lender**”) a copy of each Default Notice City gives to Declarant if that Lender has given to the City a written request for Default Notices. Copies of such Default Notices shall be given to any requesting Lender at the address that requesting Lender last furnished to City. Nothing in this Section shall be construed to mean that City must provide a Lender with a copy of any Self-Help Notices (as defined in **Section 7** below).

Each Lender shall have the right, but not the obligation, to do any act or thing required of Declarant (or the Master Association, if applicable) hereunder, and to do any act or thing which may be necessary and proper to be done in the performance and observance of the agreements, covenants and conditions hereof; provided, however, that no such action shall constitute an assumption by such Lender of the obligations of Declarant (or the Master Association, if applicable) under this Declaration. In the case of any Default Notice given by the City to Declarant (or the Master Association, if applicable), the Lender shall have the applicable Declarant Cure Period for remedying the default described in that Default Notice or causing it to be remedied and, except in the event of a Public Access Violation, if prior to the expiration of the applicable Declarant Cure Period, a Lender gives City written notice that it intends to undertake the curing of such default or to cause the same to be cured, and then proceeds with all due diligence to do so, Lender shall have, in each case, an additional period of thirty (30) days (or, except for a default relating to the payment of money, such longer period as reasonably necessary as long as Lender commences cure within such thirty (30) day period and diligently proceeds to completion) after the later to occur of (i) the expiration of the applicable Declarant Cure Period, or (ii) the date that the City has served such Default Notice upon Lender, and the City shall accept such performance by or at the instance of the Lender as if the same had been made by Declarant. The time in which Lender may cure is herein called the “**Lender Cure Period**”. Notwithstanding anything to the contrary herein, in no event shall the additional Lender Cure Period exceed six (6) months beyond the applicable Declarant Cure Period.

7. **Enforcement.** Declarant acknowledges that its failure to construct any required Publicly Accessible Private Improvement in a timely manner or to properly maintain or operate them as required in this Declaration will cause irreparable harm to the City and that the City will not have an adequate remedy at law for such breach. Accordingly, City shall be entitled to specific performance or injunctive or other equitable relief by reason of such breach. City may, in its sole discretion, rely on this Declaration to enforce any of the covenants or restrictions hereunder. City, but not the general public, shall have all rights and remedies available at law or in equity in order to enforce the covenants and restrictions set forth

in this Declaration. All rights and remedies available to City under this Declaration or at law or in equity shall be cumulative and not alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other available right or remedy. If there is any breach of the covenants or restrictions hereunder, City shall be entitled to recover all attorneys' fees and costs in connection with City's enforcement activities and actions.

If Declarant or, if applicable, the Master Association fails to maintain a Publicly Accessible Private Improvement in the manner required in this Declaration, and Declarant, or, if applicable, the Master Association, fails to timely cure such failure pursuant to Section 5 above, and no Lender cures such failure pursuant to Section 6 above, then City shall further have the right, at its sole option, to remedy such failure at the expense of Declarant (or if applicable, the Master Association) by providing ten (10) days' prior written notice of City's intention to cure such failure (a "**Self-Help Notice**") to the Declarant or, if applicable, to the Master Association. Such action by City shall not be construed as a waiver of such default or any rights or remedies of City, and nothing herein shall imply any duty of City to do any act that Declarant or the Master Association, as applicable, is obligated to perform.

Declarant shall reimburse City for all of its costs and expenses, including without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such failure (collectively, "**City's Costs**"), within thirty (30) days of receiving City's invoice for City's Costs, together with documentation reasonably evidencing City's Costs; provided, however, if Declarant's obligations (including the use, maintenance and repair obligations) for the subject Publicly Accessible Private Improvement were assigned to the Master Association pursuant to Section 12 below, then the Master Association shall reimburse City for City's Costs within thirty (30) days of receiving City's invoice for City's Costs, together with documentation reasonably evidencing City's Costs.

8. Priority of Lien. No violation or breach of any provision of this Declaration shall impair, defeat or invalidate the lien of any Encumbrance, but all provisions hereof shall thereafter be binding upon and effective against any owner whose title is derived through foreclosure of any Encumbrance or acceptance of any deed in lieu of foreclosure.

9. No Waiver. No waiver by City of any violation under this Declaration shall be effective or binding unless and to the extent expressly made in writing by City, and no such waiver may be implied from any failure by City to take action with respect to such violation. No express written waiver of any violation shall constitute a waiver of any subsequent violation in the performance of the same or any other provision of this Declaration.

10. Compliance With Laws. Declarant shall comply with all laws, statutes, ordinances, rules, and regulations of federal, state and local authorities (including, without limitation, City laws of general applicability) having jurisdiction over the Project Site, now in force or hereafter adopted with respect to its use, in the performance of its obligations under this Declaration; provided, however, such compliance obligation as to City laws shall be subject to the terms and conditions of Section 5.6 of the Development Agreement during the DA Term.

11. Litigation Expenses. If any party to this Declaration brings an action or proceeding (including any cross-complaint, counterclaim, or third-party claim) against the other by reason of a default, or otherwise arising out of this Declaration, the prevailing party in such action or proceeding shall be entitled to its costs and expenses of suit, including, but not limited to, reasonable attorneys' fees, which shall be payable whether or not such action is prosecuted to judgment. "**Prevailing Party**" shall include, without limitation, a party who dismisses an action for recovery hereunder in exchange for payment of the sums allegedly due, performance of covenants allegedly breached, or consideration substantially equal to the relief sought in the action. Attorneys' fees under this Section shall include attorneys' fees on any

appeal, and, in addition, a party entitled to attorneys' fees shall be entitled to all other reasonable costs and expenses incurred in connection with such action. For purposes of this Declaration, reasonable fees of attorneys of City's Office of City Attorney shall be based on the fees regularly charged by private attorneys with an equivalent number of hours of professional experience in the subject matter area of the law for which City's services were rendered who practice in the City and County of San Francisco, in law firms with approximately the same number of attorneys as employed by the Office of City Attorney.

12. Binding on Successors; CC&Rs; No Merger; Post-Construction Responsibility. This Declaration and the covenants and restrictions set forth herein constitute restrictions and covenants running with the land and shall bind and burden Declarant, in its capacity as owner of the Project Site, and each successor owner and occupier of the Project Site. Declarant may assign, in accordance with applicable laws (including any applicable requirements of the California Department of Real Estate or any successor agency), its obligations for use, operation, maintenance and repair of a completed Publicly Accessible Private Improvement to the Master Association, and effective upon such an assignment and recordation of the applicable CC&Rs for the portion of the Project Site containing that completed Publicly Accessible Private Improvement (or recordation of a declaration of annexation or similar instrument, the effect of which is to cause the previously recorded CC&Rs to apply such portion of the Project Site), and thereupon references in this Declaration to "Declarant" for such completed Publicly Accessible Private Improvement shall mean Master Association. The foregoing right to assign use, operation, maintenance and repair of a completed Publicly Accessible Private Improvement to the Master Association shall not in any way alter the obligations of Declarant (or that of each successor owner and occupier of the Project Site) to initially construct Publicly Accessible Private Improvements on parcels owned by Declarant in the Project Site.

However, in order to ensure that, once constructed, the Publicly Accessible Private Improvements are maintained in a clean, good and workmanlike condition, Declarant shall record, when authorized to so record by the State of California's Department of Real Estate, a declaration of covenants, conditions, and restrictions against the portion of the Project Site on which the Publicly Accessible Private Improvement(s) is(are) or will be located ("CC&Rs"), that include a requirement that the Master Association provide all necessary and ongoing maintenance and repairs to the Publicly Accessible Private Improvements, and any required services, at no cost to the City, with appropriate homeowners' assessments to provide for such maintenance and services. The Declarant intends to develop the Project Site in phases, and the CC&Rs therefore may be recorded and/or implemented (such as by means of a declaration of annexation) against portions of the Project Site in phases.

Notwithstanding anything to the contrary above in this Section 12 or contained in any Master Association governing document, if City sends a Default Notice to Declarant pursuant to the second sentence of the first paragraph of Section 5 above, then, following receipt of such notice, Declarant shall use commercially reasonable efforts to cause to be enforced the maintenance and repair obligations of the Master Association during the DA Term. The CC&Rs identified herein shall be subject to reasonable review and approval by the City Attorney, the City's Office of Economic and Workforce Development (or any successor agency) ("OEWD"), and the City's Planning Department, regarding the obligations stated in this Section 12, prior to the assignment of Declarant's obligations to the Master Association (as described above in this Section 12) and shall expressly provide the City with a third-party right to enforce the operation, maintenance and repair provisions of the CC&Rs. On or before the recordation of the CC&Rs, OEWD and the Planning Department shall reasonably approve the proposed budget for the ongoing maintenance and operations of the Publicly Accessible Private Improvements covered by such CC&Rs, based on a third-party consultant study verifying the commercial reasonableness of an initial and 20-30 year "build-out" budget.

13. Severability. Should any provision or portion hereof be declared invalid or in conflict with any law, the validity of all remaining provisions shall remain unaffected an in full force and effect.

14. Time. Time is of the essence of this Declaration and each and every part hereof.

15. Term; Amendment. This Declaration shall be effective on the date it is recorded in the Official Records, shall continue as to each Publicly Accessible Private Improvement for the life of each Building to which it is specifically associated as set forth in Exhibit C; provided, however, that if this Declaration terminates as to only a portion of Walnut Walk North or Walnut Walk South or a portion of Mayfair Walk, the then owner of the legal parcel to the Building to which such portion had been associated shall provide a reasonable connection across such legal parcel to provide for continued public pedestrian access between the remaining portions of Walnut Walk North and Walnut Walk South or the remaining portions of Mayfair Walk, as applicable, all as more specifically set forth in Section 4 (Alternative Pedestrian Access) of Exhibit C (Completion Schedule) to this Declaration. Notwithstanding anything to the contrary in the foregoing sentence, if Declarant does not build any Building at the Project Site during the DA Term, this Declaration shall automatically terminate on the expiration of the DA Term. This Declaration may be amended or otherwise modified only in a writing signed and acknowledged by Declarant or the Master Association, as applicable, (or any of their respective successors in interest to any fee interest of the Project Site) and City.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

17. Recordation. Declarant shall record this Declaration in the Official Records prior to the issuance of the First Construction Document (as defined in San Francisco Building Code Section 107A.13.1(a)(8) for the Project.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, Declarant and City have executed this Declaration as of the date first written above.

DECLARANT:

LAUREL HEIGHTS PARTNERS LLC,
a Delaware limited liability company

By: 3333 California LP,
a Delaware limited partnership,
its Manager

By: PSKS LH LLC,
a Delaware limited liability company,
its General Partner

By: Prado LH LLC,
a California limited liability company,
its Manager

By: _____
Name: Dan Safier
Title: Manager

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Rich Hillis, Director of Planning

APPROVED AS TO FORM:

DENNIS J. HERRERA,
City Attorney

By: _____
Carol Wong
Deputy City Attorney

EXHIBIT A

Legal Description of Project Site

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN FRANCISCO, IN THE COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

BEGINNING at a point on the Southerly line of California Street, said point being the Easterly extremity of the curve with a 15 foot radius joining the Easterly line of Laurel Street with the Southerly line of California Street, as shown on "Map of Laurel Heights, filed July 28, 1947, in Map Book "P", at Pages 55 and 56 Official Records of the City and County of San Francisco; running thence North $80^{\circ}54'$ East 707.375 feet along the Southerly line of California Street to the Southwesterly boundary of the property of the Standard Oil Company of California; thence South $52^{\circ}36' 29.74$ seconds East along said boundary 232.860 feet; thence Southwesterly along the arc of a curve to the right whose tangent deflects $54^{\circ}14' 30.74$ seconds to the right from the preceding course, radius 425 feet, central angle $34^{\circ}15'59"$, a distance of 254.176 feet; thence South $35^{\circ}54'$ West tangent to the preceding curve 380.066 feet; thence Southwesterly along the arc of a curve to the right, tangent to the preceding course, radius 65 feet, central angle $37^{\circ}18'$ a distance of 42.316 feet to tangency with the Northwesterly line of Euclid Avenue; thence South $73^{\circ}12'$ West along said line of Euclid Avenue 312.934 feet; thence leaving said line of Euclid Avenue, and running Southwesterly, Westerly, and Northwesterly along the arc of a curve to the right, tangent to the preceding course, radius 20 feet, central angle $100^{\circ}48' 01.51"$, a distance of 35.186 feet; thence Northwesterly along the arc of a reverse curve to the left, parallel to and concentric with and radially distant 6 feet Northeasterly from the Northeasterly line of Laurel Street, as shown on said map of Laurel Heights, radius 4033 feet, central angle $5^{\circ}31' 20.27"$, a distance of 388.710 feet; thence Northwesterly along the arc of a compound curve to the left, radius 120 feet, central angle $71^{\circ}12' 55.45"$, a distance of 149.153 feet; thence Northwesterly along the arc of a reverse curve to the right, radius 60 feet, central angle $73^{\circ}38' 14.21"$, a distance of 77.113 feet to tangency with the Easterly line of Laurel Street; thence North $9^{\circ}06'$ West along said line of Laurel Street 127.290 feet to the beginning of the above mentioned curve joining the Easterly line of Laurel Street with Southerly line of California Street; thence Northwesterly, Northerly, and Northeasterly along the arc of a curve to the right, radius 15 feet $90^{\circ}00'$, a distance of 23.562 feet to tangency with the Southerly line of California Street and the point of beginning.

APN: **Lot 003, Block 1032**

EXHIBIT B-1

Description of Buildings

Plaza A and B:

These buildings are located on the northwest corner of the site along California Street between Laurel Street and the Project entrance aligned with Walnut Street to the north. Plaza A is 67 residential units and 14,816 GSF of retail space. Plaza B is 61 residential units and 11,180 GSF of retail space. Both buildings sit atop the California Street Garage which contains its required residential and retail parking and associated building accessory and utility spaces. The California Street Garage also sits below the Walnut Residential Building (see description below). The California Street Garage includes some of the required parking and associated building accessory and utility spaces for the Center A and B buildings (see their description below).

Walnut Building:

This building is located on the northeast corner of the site along California Street between the Project entrance aligned with Walnut Street to the north and the Firemen's Credit Union (triangular lot at the corner of California Street and Presidio Avenue which is not part of the Project or site). The Walnut Building includes 185 affordable senior units and one manager's unit, 8,500 GSF for retail space and a 14,665 GSF child care use. As described above, this building sits atop the California Street Garage which contains its required residential, retail and childcare parking and associated building accessory and utility spaces.

Center A and B:

Center A and B are located in the existing office building. This existing building will be partially demolished and reused for residential use. The building is located approximately in the middle of the site with frontages on Presidio and Masonic Avenue. Center A includes 51 residential units and Center B includes 139 residential units. There is a bridge located on the fourth floor that connects the two buildings. There is a small existing garage below Center B that includes a portion of its required residential parking. The remaining Center B parking is located within the California Street Garage. The required residential parking for Center A is located within the Masonic Garage. The California Street and Masonic Garages will also include associated building accessory and utility spaces for these two buildings.

Masonic and Euclid Buildings:

These buildings are located on the south side of the site along Masonic and Euclid Avenues, Masonic to the east and Euclid to the west. Masonic is 57 residential units and Euclid is 139 residential units. Both buildings sit atop the Masonic Garage which contains their required residential parking and associated building accessory and utility spaces. The Masonic Garage includes some of the required parking and associated building accessory and utility spaces for the Center A and B Buildings (see their description above).

Mayfair Building:

The Mayfair Building is located on the west side of the site along Laurel Street between Plaza A and the Laurel Duplexes. It contains 30 residential units and sits atop its own garage containing its parking, accessory and utility spaces. Mayfair shares a common driveway off Laurel Street with the Laurel Duplexes.

Laurel Duplexes:

The Laurel Duplexes are comprised of six independent structures each housing two residential units for a total of 12 residential units. All six buildings face Laurel Street on the west side of the site between the

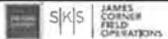
Mayfair Building and Euclid Green. The parking for these buildings is located at their lowest level and accessed off a shared driveway with the Mayfair Building.

EXHIBIT B-2
 Depiction of Buildings and Publicly Accessible Private Improvements



3333 CALIFORNIA STREET SAN FRANCISCO, CA

LANDSCAPE SITE PLAN



LA ARUP BAR architects

JENSEN



09.06.2019
 PLANNING APPLICATION SUBMITTAL



L2.00

EXHIBIT C

Completion Schedule

Declarant's obligation to construct a Publicly Accessible Private Improvement (as defined below) shall be as follows:

1. **Description of Publicly Accessible Private Improvements.** Each of the following shall be a "Publicly Accessible Private Improvement" and shall collectively be the "Publicly Accessible Private Improvements":

a. **California Plaza:** An approximately 4,290 square foot plaza adjacent to California Street, located in the general area depicted in the attached Exhibit B-2. The improvements will consist of a combination of quality hardscape, planters and seating elements that are adjacent to the abutting public sidewalk and designed to comply with the City's Better Streets policies.

b. **Cypress Square:** An approximately 12,052 square foot south-facing plaza that will connect to Cypress Stairs and Mayfair Walk, located in the general area depicted in the attached Exhibit B-2. The improvements will consist of the existing mature and healthy Cypress trees identified on Sheet L.201 of the Conceptual Plans (the "**Landscape Plan**"), hardscaped walkways, and a central, paved open plaza area with wood decking, seating and landscaping.

c. **Cypress Stairs:** An approximately 1,255 square foot pedestrian walkway that will connect pedestrians from California Street to Cypress Square, located in the general area depicted in the attached Exhibit B-2. The improvements will consist of stairs with landscaped planters along the edges.

d. **Euclid Green:** An approximately 21,104 square foot open space with direct access to the sidewalks on Euclid Avenue and Laurel Street, located in the general area depicted in the attached Exhibit B-2. The improvements will consist of a large, naturally sloping lawn with plantings.

e. **Mayfair Walk:** An approximately 30,605 square foot east-west pedestrian connector that will connect to Mayfair Drive/Laurel Street to the west and the ADA-accessible Pine Street Stairs to Presidio Avenue to the east, located in the general area depicted in the attached Exhibit B-2. The improvements will consist of an approximately twenty foot (20') wide hardscape pathway with landscaped borders and access to ground floor residential units, seating, stairs, landscaping, and the retained mature and healthy oak trees and new trees identified in the Landscape Plan.

f. **Presidio Overlook:** An approximately 10,450 square foot open space atop Pine Street Stairs that will be an interconnection and scenic area between the east portion of the Mayfair Walk and the Pine Street Stairs, located in the general area depicted in the attached Exhibit B-2. The improvements will consist of a terrace with trees, planters, and seating.

g. **Pine Street Steps:** An approximately 7,015 square foot pedestrian walkway that will connect the Presidio Overlook to Pine Street and Masonic Avenue, located in the general area depicted in the attached Exhibit B-2. The improvements will consist of stairs with landscaped planters and green areas along the edges.

h. **Walnut Drive and Walnut Court:** Approximately 17,825 square feet of open space that will provide direct access to California Street, Mayfair Walk and Walnut Walk, located in the general area depicted in the attached Exhibit B-2. The Walnut Drive improvements will consist of a hardscaped roadway with tree-lined hardscape pedestrian walkways on either side of the paved area, and the Walnut

Court improvements will consist of a tree-lined hardscaped vehicular turnaround plaza with a tree feature at the center.

i. Walnut Walk North: Approximately 6,880 square feet of open space that will run through the center of the Project Site from Walnut Court to the southern boundary of the future legal parcels created for Plaza Building A and Plaza Building B, located in the general area depicted in the attached Exhibit B-2. The improvements will consist of an approximately twenty foot (20') wide hardscaped pedestrian pathway with a network of landscaped open spaces and seating. Once Walnut Walk North and Walnut Walk South are completed, they will collectively create the main north-south public pedestrian connection through the Project Site between Masonic and Euclid Avenue to Walnut Court.

j. Walnut Walk South: Approximately 16,850 square feet of open space that will run through the center of the Project Site from the southern boundary of the future legal parcels created for Plaza Building A and Plaza Building B and the intersection at Masonic Avenue and Euclid Avenue, located in the general area depicted in the attached Exhibit B-2. The improvements will consist of an approximately twenty foot (20') wide hardscaped pedestrian pathway with a network of landscaped open spaces and seating. Once Walnut Walk North and Walnut Walk South are completed, they will collectively create the main north-south public pedestrian connection through the Project Site between Masonic and Euclid Avenue to Walnut Court.

k. Alternative Pedestrian Access Paths: Any path constructed under Section 4 below.

2. Installation Schedule. An "**Occupancy Certificate**" means a certificate of occupancy, including any temporary certificate of occupancy. Subject to Section 3 below, Declarant shall complete the construction of the Publicly Accessible Private Improvements as follows:

a. California Plaza. Declarant shall complete construction of California Plaza before the issuance of an Occupancy Certificate for any non-retail portion of the Plaza A Building, which is described on the attached Exhibit B-1 and depicted on the attached Exhibit B-2. Once completed, California Plaza shall be associated with the Plaza A Building.

b. Cypress Square. Declarant shall complete construction of Cypress Square before the issuance of an Occupancy Certificate for any non-retail portion of the Plaza B Building, which is described on the attached Exhibit B-1 and depicted on the attached Exhibit B-2. Once completed, Cypress Square shall be associated with the Plaza B Building.

c. Cypress Stairs. Declarant shall complete construction of the Cypress Stairs before the issuance of an Occupancy Certificate for any non-retail portion of the later of the Plaza A Building or the Plaza B Building. Once completed, Cypress Stairs shall be associated with the Plaza A Building and the Plaza B Building.

d. Euclid Green. Declarant shall complete construction of Euclid Green before the issuance of an Occupancy Certificate for the Project's final Building; provided, however, that if the Declarant receives an Occupancy Certificate for any Building without completing all proposed Buildings during the DA Term, then Euclid Green shall be completed by the end of the DA Term. Once completed, Euclid Green shall be associated with the Euclid Building or, if the Euclid Building has not been constructed, it shall be associated with the legal parcel of the constructed multi-unit Building (excluding the Mayfair Building and the Townhomes) that is closest to Euclid Green on the expiration of the DA Term.

e. Mayfair Walk. Declarant shall complete construction of Mayfair Walk in the following segments:

i. The segment adjacent to the Mayfair Building (described on the attached Exhibit B-1 and depicted on the attached Exhibit B-2) and the Plaza A Building must be completed before the issuance of an Occupancy Certificate for any non-retail portion of the later of Mayfair Building or the Plaza A Building. Once completed, such segment shall be associated with the Mayfair Building and the Plaza A Building.

ii. The segment adjacent to the Mayfair Building and the Plaza A Building must be completed before the issuance of an Occupancy Certificate for any non-retail portion of the later of Mayfair Building or Plaza A Building. Once completed, such segment shall be associated with the Mayfair Building and the Plaza A Building.

iii. The segment adjacent to the Plaza B Building and the Center A Building (described on the attached Exhibit B-1 and depicted on the attached Exhibit B-2) must be completed before the issuance of an the Occupancy Certificate for any non-retail portion of the later of the Plaza B Building or the Center A Building, and the completion of the Center B Building, as applicable. Once completed, such segment shall be associated with the Plaza B Building and the Center A Building.

f. Pine Street Steps. Declarant shall complete construction of the Pine Street Steps before the issuance of an Occupancy Certificate for any non-retail portion of the Center Building B. Once completed, the Pine Street Steps shall be associated with Center Building B.

g. Presidio Overlook. Declarant shall complete construction of the Presidio Overlook before the issuance of an Occupancy Certificate for any non-retail portion of the Center Building B. Once completed, Presidio Overlook shall be associated with Center Building B.

h. Walnut Drive and Walnut Court. Declarant shall complete construction of Walnut Drive and Walnut Court before the later to occur of the issuance of an Occupancy Certificate for any non-retail portion of the Plaza B Building or the Walnut Affordable Housing Building (described on the attached Exhibit B-1 and depicted on the attached Exhibit B-2). Once completed, Walnut Drive and Walnut Court shall be associated with the Plaza B Building and the Walnut Affordable Housing Building.

i. Walnut Walk North. Declarant shall complete construction of Walnut Walk North before the later to occur of the issuance of an Occupancy Certificate for any non-retail portion of the Center A Building or the Center B Building. Once completed, Walnut Walk North shall be associated with the Center A Building and the Center B Building

j. Walnut Walk South. Declarant shall complete construction of Walnut Walk South before the later to occur of the issuance of an Occupancy Certificate for any non-retail portion of the Euclid Building (described on the attached Exhibit B-1 and depicted on the attached Exhibit B-2) or the Masonic Building (described on the attached Exhibit B-1 and depicted on the attached Exhibit B-2). Once completed, Walnut Walk South shall be associated with the Euclid Building and the Masonic Building.

3. Delayed Completion. Notwithstanding anything to the contrary in Section 2 above, if Declarant wishes to receive the first Occupancy Certificate for the non-retail portion of any of the buildings described in Section 2 above before completing its associated Publicly Accessible Private Improvement, Declarant may complete that associated Publicly Accessible Private Improvement at a later time by providing to the City, prior to issuance of the first Occupancy Certificate for any non-retail portion of that building, a surety performance bond or other security in form acceptable to the City and in an amount

equal to 100% of the reasonably estimated cost to complete that Publicly Accessible Private Improvement as required in this Declaration, and shall diligently and continuously pursue that Publicly Accessible Private Improvement to completion following which such bond will be released.

4. Alternative Pedestrian Access. If Declarant receives an Occupancy Certificate for any Building without completing all proposed Buildings during the DA Term that would otherwise require the completion of Walnut Walk North, Walnut Walk South, and Mayfair Walk as described above, then Declarant, in conjunction with the Planning Department, shall design an alternative plan for pedestrian access that seeks to achieve similar pedestrian access and widths as Walnut Walk North, Walnut Walk South, and Mayfair Walk, but takes into account then then-current on-site conditions, including locations of improvements and the Project Site's topography, and the Declarant shall construct such alternative plan improvements prior to the end of the DA Term. On their substantial completion, such alternative plan improvements shall be a Publicly Accessible Private Improvement and the portion of the Project Site improved with such alternative plan improvements shall be a Publicly Accessible Private Improvement.

EXHIBIT D

Regulations Regarding Access and Maintenance of Publicly Accessible Private Improvements

These Regulations Regarding Access and Maintenance of Publicly Accessible Private Improvements (these "Regulations") shall govern the use, maintenance, and operation of each completed Publicly Accessible Private Improvement as defined in the attached Exhibit C.

1. Permitted Uses. Upon completion of a Publicly Accessible Private Improvement in accordance with this Declaration, Declarant shall make that Publicly Accessible Private Improvement available for the use, enjoyment and benefit of the public for open space and recreational purposes in accordance with these Regulations, including, without limitation, (i) quiet contemplation and rest without the use of audible electronic devices (although headphones are permitted), (ii) pedestrian access through the Project Site from one Project Site boundary to the others (bicycles, scooters, skateboards and the like to be walked, not ridden on site for safety reasons), and (iii) short term use of designated seating areas (excluding planter walls and/or landscaped areas). These Regulations do not require Declarant to make its Publicly Accessible Private Improvement available to the public for more than open space and recreational purposes.
2. Prohibited Use. The following shall be prohibited in any Publicly Accessible Private Improvement, (i) smoking of any form, including cigarettes, cigars, pipes, e-cigarettes and smokeless cigarettes (including tobacco or other controlled substances), (ii) consumption or possession of open alcoholic beverages (unless permitted by special permit), (iii) camping or sleeping, (iv) climbing or affixing items to trees, other landscaping, furniture or infrastructure, (v) disorderly conduct, as defined in Article 4 of the City's Park Code, as amended from time to time, (vi) building fires or cooking (unless permitted by special permit), (vii) peddling or vending merchandise (unless permitted by special permit), (viii) temporary structures or installations (unless permitted by special permit), (ix) littering or dumping of waste, (x) removal of plants, soil, furniture, or other facilities of the open space, (xi) graffiti or the damage or destruction of property, and (xii) amplified sound. Declarant may limit off-leash animals to designated areas but shall permit leashed animals, including leashed service animals, in the Publicly Accessible Private Improvements. Organized sporting events are not permitted in the Publicly Accessible Private Improvements due to their slope and limited size. However, active recreation (e.g., kicking a soccer ball or throwing a football) among groups of up to four (4) people shall be permitted on Euclid Green provided it does not endanger other users of Euclid Green. Declarant may use a completed Publicly Accessible Private Improvement for temporary construction staging related to adjacent development on the Project Site (during which time the subject Publicly Accessible Private Improvement shall not be used by the public) to the extent that such construction is contemplated under, and performed in accordance with, the Development Agreement, the Approvals (as defined in the Development Agreement), and any Later Approvals (as defined in the Development Agreement).
3. No Discrimination. Declarant shall not discriminate against or segregate any person, or group of persons, on account of the basis of fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or acquired immune deficiency syndrome, HIV status, weight, height, medical condition, or association with members of any of the foregoing classes, in the use, occupancy, tenure, or enjoyment of a Publicly Accessible Private Improvement.

4. Maintenance Standard. Each Publicly Accessible Private Improvement shall be operated, managed, and maintained in a clean and safe condition in accordance with the anticipated and foreseeable use thereof.
5. Temporary Closure. Declarant shall have the right, without obtaining the prior consent of the City or any other person or entity, to temporarily close a Publicly Accessible Private Improvement to the public from time to time for one of the following two reasons. In each instance, such temporary closure shall continue for as long as Declarant reasonably deems necessary to address either of the circumstances below:
 - a. Emergency; Public Safety. In the event of an emergency or danger to the public health or safety created from whatever cause (including, but not limited to, flood, storm, fire, earthquake, explosion, accident, criminal activity, riot, civil disturbances, civil unrest, unlawful assembly, or loitering). Declarant may temporarily close a Publicly Accessible Private Improvement (or affected portions thereof) in any manner deemed necessary or desirable to promote public safety, security, and the protection of persons and property.
 - b. Maintenance and Repairs. Declarant may temporarily close a Publicly Accessible Private Improvement (or affected portions thereof) in order to make any repairs or perform any maintenance as Declarant, in its reasonable discretion, deems necessary or desirable to repair, maintain, or operate that Publicly Accessible Private Improvement; provided such closure may not impede emergency vehicle access.
6. Operation of the Publicly Accessible Private Improvement. Each Publicly Accessible Private Improvement shall be open and accessible to the public seven (7) days per week during the daylight hours (or 30 minutes prior to sunset) (the "Operating Hours"), unless reduced hours are (i) approved in writing by the City, (ii) otherwise expressly provided for in this Declaration (including, without limitation, Paragraphs 4 and 5(b) of these Regulations), or (iii) reasonably imposed by Declarant, with the City's reasonable consent, to address security concerns. None of the Publicly Accessible Private Improvements shall be closed to the public during Operating Hours for special events. No person shall enter, remain, stay, or loiter in a Publicly Accessible Private Improvement when it is closed to the public, except persons authorized in conjunction with a temporary closure, authorized service and maintenance personnel, or an authorized resident, guest or employee of the project.
7. Signs. Declarant shall post signs at the major public entrances to each Publicly Accessible Private Improvement, indicating that it is a privately-owned public open space in accordance with all laws and signage requirements. The signs, at a minimum, shall indicate the public right to use the space in accordance with these Regulations, setting forth the applicable regulations imposed by these Regulations, hours of operation, and a telephone number to call regarding security, management or other inquiries.
8. Permissive Use. Declarant may post at each entrance to each Publicly Accessible Private Improvement, or at intervals of not more than 200 feet along the boundary, signs reading substantially as follows: "Right to pass by permission, and subject to control of owner: Section 1008, Civil Code." Notwithstanding the posting of any such sign, no use by the public nor any person of any portion of the Publicly Accessible Private Improvement for any purpose or period of time shall be construed, interpreted, or deemed to create any rights or interests to or in the Publicly Accessible Private Improvement other than the rights and interests expressly granted in this Declaration. The right of the public or any person to make any use whatsoever of a Publicly

Accessible Private Improvement or any portion thereof is not meant to be an implied dedication for the benefit of, or to create any rights or interests in, any third parties.

9. **Arrest or Removal of Persons.** Declarant shall have the right (but not the obligation) to use all lawful means to effect the removal of any person or persons who creates a public nuisance or causes safety concerns for the occupants or neighbors of the Project, or who otherwise violates the applicable rules and regulations, or who commits any crime including, without limitation, infractions or misdemeanors, in or around a Publicly Accessible Private Improvements. To the extent permitted by law, Declarant may prohibit members of the public who have repeatedly broken the Regulations in any material respect from entering the Publicly Accessible Private Improvements, and if such person enters a Publicly Accessible Private Improvement, may ask such person to leave the Publicly Accessible Private Improvement. Declarant shall have the right to exercise its power and authority as owner consistent with other publicly accessible but privately-owned areas in the City, such as other privately owned public open space.
10. **Project Security During Period of Non-Access.** Declarant shall have the right to block entrances to install and operate security devices and to maintain security personnel in and around the Publicly Accessible Private Improvements to prevent the entry of persons or vehicles during the time periods when public access to a Publicly Accessible Private Improvement or any portion thereof is restricted or not permitted. Subject to the access requirements for City's emergency vehicles, as described in the Subdivision Map, and Declarant's obligations under Applicable Law, Declarant shall have a right to install permanent architectural features that serve as security devices such as gates, fences and bollards, and close such devices during non-operating hours or during periods of closure as identified in these Regulations. Design of such devices shall be subject to approval by the San Francisco Planning Department which shall not be unreasonably withheld and subject to any permits required under Applicable Law. Such design review by the San Francisco Planning Department shall not be construed as a change in entitlement and shall not be subject to a planning application or require a separate entitlement. It shall not be unreasonable for the Planning Department to withhold its consent if any such devices would impede emergency access that may be required under Applicable Law or in the Approvals. Nothing shall restrict Declarant's right to install security cameras and monitoring devices anywhere on the Project.
11. **Removal of Obstructions.** Declarant shall have the right to remove and dispose of, in any lawful manner it deems appropriate, any object or thing left or deposited on a Publicly Accessible Private Improvement deemed to be an obstruction, interference, or restriction of use of that Publicly Accessible Private Improvement for the purposes set forth in this Declaration, including, but not limited to, personal belongings or equipment in a Publicly Accessible Private Improvement during hours when public access is not allowed pursuant to these Regulations.
12. **Temporary Structures.** Subject to Declarant's right to use a Publicly Accessible Private Improvement for temporary construction staging related to adjacent development as set forth in Paragraph 1 of these Regulations, no trailer, tent, shack, or other outbuilding, or structure of a temporary character, shall be used on any portion of the Publicly Accessible Private Improvements at any time during Operating Hours, either temporarily or permanently.



Doc # **2025034503**

City and County of San Francisco

Joaquin Torres, Assessor – Recorder

5/7/2025	2:10:44 PM	Fees	\$0.00
Pages 101	Title 013 JS	Taxes	\$0.00
Customer 028		Other	\$0.00
		SB2 Fees	\$0.00
		Paid	\$0.00

RECORDING REQUESTED BY
CLERK OF THE BOARD OF
SUPERVISORS OF THE CITY
AND COUNTY OF SAN
FRANCISCO

(Exempt from Recording Fees
Pursuant to Government Code
Section 27383)

AND WHEN RECORDED
RETURN TO:

Angela Calvillo
Clerk of the Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94105

Space Above Reserved for Recorder's Use

**SECOND AMENDMENT TO
DEVELOPMENT AGREEMENT**

by and between

LAUREL HEIGHTS PARTNERS, LLC,
a Delaware limited liability company,

and

THE CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

**BLOCK 1032, LOT 003
3333 California Street**

SECOND AMENDMENT TO DEVELOPMENT AGREEMENT

This SECOND AMENDMENT TO DEVELOPMENT AGREEMENT (this “**Second Amendment**”) is made as of April 30, 2025 (the “**Effective Date**”) by and among LAUREL HEIGHTS PARTNERS, LLC, a Delaware limited liability company (the “**Developer**”), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the “**City**”), operating by and through its Planning Department, pursuant to the authority of Section 65864 *et seq.* of the California Government Code and Chapter 56 of the Administrative Code, with reference to the following facts:

RECITALS

A. The City, acting by and through its Planning Department, and Developer entered into a Development Agreement dated as of September 11, 2020, and recorded in the Official Records on September 11, 2020, as Document No. 2020015925 (the “**Original Development Agreement**”), and a Memorandum of Minor Modification of Development Agreement (Amendment No. 1) dated as of June 5, 2024, and recorded in the Official Records on June 26, 2024, as Document No. 2024048267 (“**Amendment No. 1**”). The Original Development Agreement, as modified by Amendment No. 1, shall be referred to in this Second Amendment as the “**Development Agreement**”. All initially capitalized terms used but not defined in this Second Amendment shall have the meaning given to such terms in the Development Agreement.

B. The Development Agreement relates to the Project Site, as more particularly described in the attached Exhibit A, and authorizes the construction of the Project (as more particularly described in the Development Agreement).

C. Subsequent to the execution of the Development Agreement, the City, through City Resolution No. 553-24, declared its intention to establish San Francisco Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street) (the “**Laurel Heights EIFD**”) to provide financing for the Project’s public improvements, affordable housing, and other capital facilities and facilities of communitywide significance, as further specified in Exhibit A to that resolution.

D. The Parties now wish to execute and record this Second Amendment to set forth certain modifications to the Development Agreement to implement the Laurel Heights EIFD and other measures in order to increase Project feasibility and maximize the probability and speed of construction and delivery of the Project.

AGREEMENTS

NOW, THEREFORE, in consideration of the foregoing Recitals, the covenants and agreements set forth in this Second Amendment and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Developer and the City hereby agree as follows:

1. DEFINITIONS

A. New Defined Terms. Article I of the Development Agreement is hereby amended to add the following defined terms:

“**Amendment No. 1**” is defined in Recital A of this Second Amendment.

“**CC&Rs**” is defined in Section 12 of Exhibit C-3.

“**CFD**” has the meaning given to it in the Financing Plan.

“**CFD Acquisition Agreement**” is defined in the Financing Plan.

“**CFD Act**” has the meaning given to it in the Financing Plan.

“**EIFD**” is defined in the Financing Plan.

“**EIFD Acquisition Agreement**” is defined in the Financing Plan.

“**EIFD Funding Sources**” is defined in the Financing Plan.

“**EIFD Law**” is defined in the Financing Plan.

“**Financing Plan**” means the Financing Plan attached to the Development Agreement at Exhibit O.

“**IFP**” is defined in the Financing Plan.

“**Laurel Heights EIFD**” is defined in Recital C of this Second Amendment.

“**Original Development Agreement**” is defined in Recital A of this Second Amendment.

“**Project Special Taxes**” is defined in the Financing Plan.

“**Second Amendment**” means that certain Second Amendment to Development Agreement entered into between Developer and the City, encumbering the Project Site and recorded in the Official Records.

B. Modifications to Existing Definitions. Article 1 of the Original Development Agreement is hereby amended by substituting the following defined terms for such terms as they are set forth in the Original Development Agreement:

“**Development Agreement**” means the Original Development Agreement, as amended by the Amendment No. 1, the Second Amendment, and any other amendments thereto, together with the Exhibits and Schedules that have been expressly incorporated therein.

2. AMENDED TERMS AND CONDITIONS

A. Amendments Related to the New Affordable Housing Plan and Other Changes to the Original Development Agreement. The Original Development Agreement is hereby amended as follows:

i. Recital B. The second sentence of Recital B of the Original Development Agreement is hereby deleted in its entirety and replaced with the following:

Specifically, the Project includes (i) up to approximately 744 residential units consisting of a mix of market rate and on-site BMR Units, including 124 on-site senior affordable housing units with one (1) manager's unit, (ii) approximately 38,094 square feet for retail/restaurant/commercial use, (iii) four (4) below-grade parking garages with ten (10) car share spaces and no more than 820 parking spaces, (iv) an approximately 13,933 square foot space for child care use, and (v) approximately 233,676 square feet of landscaped or open space, which includes approximately 127,966 square feet of privately owned, public open space, more than 73,658 square feet of which is in excess of the open space requirements under the Code, all as more particularly described on Exhibit B.

ii. Term: Deadlines. The Original Development Agreement is hereby amended as follows: (i) the fifteen (15) year Term of the Development Agreement shall be extended eight (8) years and expire at 5:00 p.m. Pacific Time on September 11, 2043; (ii) the last day of the five (5) year deadline by which Developer must Commence Construction under Section 11.2 (Early Termination Rights) of the Development Agreement shall be extended three (3) years to September 11, 2028; and (iii) the Outside Date shall be extended four (4) years to September 11, 2036. The foregoing dates shall be subject to any additional extensions that may be applicable during the Term pursuant to the Development Agreement.

iii. Twenty-Five Percent (25%). Recital E of the Original Agreement references a twenty-five percent (25%) percentage for the Project's affordable housing. That reference, and any other reference to a twenty-five percent (25%) percentage of affordable housing in the Original Agreement, is hereby modified to be sixteen and 87/100 percent (16.87%).

iv. 386 Market Rate Units. The reference to the number three hundred eighty-six (386) in Section 6 of the Original Development Agreement is deleted and replaced with the following number: "four hundred seventy-seven (477)".

v. Impact Fees and Exactions. Section 5.7.2 of the Original Development Agreement is hereby deleted in its entirety and replaced with the following language:

"5.7.2 Impact Fees and Exactions. During the Term, as extended by any Litigation Extensions, no Impact Fees and Exactions shall apply to the Project or components thereof except for (i) those Impact Fees and Exactions specifically set forth on Schedule 1, Schedule 2, Exhibit D and Exhibit L, (ii) the SFPUC Capacity Charges, (iii) New City Laws that do not conflict with this Agreement as set forth in Section 5.6, and (iv) as expressly set forth below in this Section. The Impact Fees and Exactions and SFPUC Capacity Charges shall be calculated and determined at the time payable in accordance with the City requirements on that date, and the parties acknowledge and agree that the Impact Fees and Exactions shall be subject to the Planning Department's final confirmation once the applicable final land uses and Gross Floor Area are determined. Accordingly, Developer shall be subject to any increase or decrease in the fee amount payable and any changes in methodology of calculation (e.g., use of a different index to calculate annual increases) but will not

be subject to any new types of Impact Fees and Exactions or modification to existing Impact Fees and Exactions after the Effective Date except as described in Section 5.6 and this Section.

Developer agrees that any new or reduced Impact Fees and Exactions enacted after the Effective Date that (i) are of City-Wide applicability (e.g., applies to all retail development in the City), (ii) do not pertain to affordable housing, open space or community improvements (for which this Agreement reflects the required Developer contributions), and (iii) would otherwise apply to the Project, shall apply to the Project or the applicable portion thereof. Notwithstanding the foregoing or anything to the contrary in this Agreement, Developer shall have the right, at its discretion, to utilize any Laws that defer or exempt Impact Fees and Exactions for the development of projects and become effective after the date of the Second Amendment, have City-Wide applicability, do not pertain to affordable housing, open space or community improvements (for which this Agreement reflects the required Developer contributions), and would otherwise apply to the Project.”

B. Amendments Related to the EIFD and Financing Plan.

i. A new Section 3.3 of the Development Agreement is hereby added as follows:

3.3 Financing Districts.

3.3.1. CFD and EIFD. The City shall take all actions reasonably necessary, and Developer shall cooperate reasonably, to establish and implement the CFD under the CFD Act and the EIFD under the EIFD Law, all in accordance with the Financing Plan. Any and all costs incurred by the City in forming the CFD and the EIFD shall be City Costs. The terms and conditions of the CFD and EIFD must be consistent with the specifications in the Financing Plan, including, as relates to the EIFD, the IFP. Developer shall not, at any time, contest, protest, or otherwise challenge (i) the formation of the CFD or EIFD, (ii) the issuance of bonds or other financing secured by Project Special Taxes (as defined in the Financing Plan) or EIFD Funding Sources, or (iii) the application of bond proceeds, Project Special Taxes or EIFD Funding Sources to the extent consistent with the Financing Plan, CFD Acquisition Agreement, EIFD Acquisition Agreement, or other document governing the application of such proceeds. Developer acknowledges the provisions of Section 2.6(b) of the Financing Plan, and further acknowledges that section 9 of article I of the California Constitution and California Government Code Section 5854 restrict the Developer’s ability to repeal or reduce the Project Special Taxes. Once established, Developer shall not institute, or cooperate in any manner with, proceedings to repeal or reduce the Contingent Services Special Taxes (as defined in the Financing Plan). The provisions of this Section 3.3 shall survive the expiration of this Agreement, and Developer shall include the requirements of this Section 3.3 in the CC&Rs (or, if the CC&Rs have not yet been created and recorded, in the sale documents for any sale of all or part of the Project Site).

3.3.2 Limitation on New Districts. Other than the CFD and EIFD created or to be created pursuant to the Financing Plan or any business improvement districts or community benefit districts formed by a vote of the affected property owners, the City shall not form any new financing or assessment district over any portion of the Project Site unless the new district applies to similarly-situated property City-Wide or Developer gives its prior written consent to or requests the proceedings.

3.3.3 Permitted Assessments. Nothing in this Agreement limits the City's ability to impose new or increased taxes or special assessments, any equivalent or substitute tax or assessment, or assessments for the benefit of business improvement districts or community benefit districts, in any event formed by a vote of the affected property owners.

ii. Section 5.12 of the Development Agreement is hereby deleted in its entirety and replaced with the following:

5.12 Taxes. Nothing in this Agreement limits the City's ability to impose new or increased taxes or special assessments, or any equivalent or substitute tax or assessment, provided (i) the City shall not institute, on its own initiative, proceedings for any new or increased special tax or special assessment for a land-secured financing district (including special taxes under the CFD Act but not including the Project Special Taxes under the CFD Act contemplated in the Financing Plan or any new or increased taxes or special assessments, any equivalent or substitute tax or assessment, or assessments for the benefit of business improvement districts or community benefit districts formed by a vote of the affected property owners) that includes the Project Site unless the new district is City-Wide or Developer gives its prior written consent to or requests such proceedings, (ii) Developer and the City shall not take any other action that is inconsistent with the Financing Plan without the other Party's consent, and (iii) no such tax or assessment shall be targeted or directed at the Project, including, without limitation, any tax or assessment targeted solely at all or any part of the Project Site. Nothing in the foregoing prevents the City from imposing any tax or assessment against the Project Site, or any portion thereof, that is enacted in accordance with Law and applies to all similarly-situated property on a City-Wide basis.

iii. The second paragraph in Section 12 of Exhibit C-3 to the Development Agreement is hereby deleted in its entirety and replaced with the following:

However, in order to ensure that, once constructed, the Publicly Accessible Private Improvements are maintained in a clean, good and workerlike condition, Declarant shall record, when authorized to so record by the State of California's Department of Real Estate, a declaration of covenants, conditions, and restrictions against the portion of the Project Site on which the Publicly Accessible Private Improvement(s) is(are) or will be located ("CC&Rs"), that include a requirement that the Master Association provide all necessary and ongoing maintenance and repairs to the Publicly Accessible Private Improvements, and any required services, at no cost to

the City (other than any public financing set forth in the Financing Plan), with appropriate homeowners' assessments to provide for such maintenance and services. The Declarant intends to develop the Project Site in phases, and the CC&Rs therefore may be recorded and/or implemented (such as by means of a declaration of annexation) against portions of the Project Site in phases.

iv. Section 5.6.1 of the Development Agreement. Section 5.6.1 of the Development Agreement is hereby amended to add subsection (m):

(m) materially change, impede, control or delay any rights or obligations under, or the implementation or enforcement of, the Financing Plan, EIFD Acquisition and Financing Agreement or Acquisition and Reimbursement Agreement (as defined in the Financing Plan), including related to the issuance of bonds or reimbursement of Developer.

v. Survival. Section 14.9 of the Development Agreement is hereby deleted and amended and restated in its entirety as follows:

Section 14.9 Survival. Following expiration of the Term, this Agreement shall be deemed terminated and of no further force and effect, except for any provision that, by its express terms, survives the expiration or termination of this Agreement. The rights and obligations under the Financing Plan, including the CFD, the EIFD, and Developer's right to receive reimbursements, shall survive the expiration or termination of this Agreement and expire or terminate solely as described therein.

vi. Exhibit L. Exhibit L (Child Care Program) of the Development Agreement is hereby amended by deleting all references therein to "Walnut Building" and replacing them with "Walnut Affordable Housing Building".

3. AMENDED AND RESTATED EXHIBITS AND SCHEDULES; NEW EXHIBIT

A. Amended and Restated Exhibits and Schedules. The original Exhibit B (Project Description), Exhibit C (Project Open Space), Exhibit D (Affordable Housing Program), Exhibit E (List of Approvals), and Schedule 1 (Community Benefits Linkages and Impact Fees Schedule) attached to the Original Development Agreement are hereby deleted in their entirety and replaced with the new forms of exhibits attached hereto: Exhibit B - Project Description; Exhibit C - Project Open Space; Exhibit D - Affordable Housing Program; Exhibit E - List of Approvals; and Schedule 1 - Community Benefits Linkages and Impact Fees Schedule. The parties acknowledge that Amendment No. 1 includes certain exhibits which replace, amend and restate Exhibits attached to the Original Development Agreement, including: Exhibit B-1 (Site Plan); Exhibit C-1 - (Open Space Plan); Exhibit B-1 (Description of Buildings) to Exhibit C-3; Exhibit B-2 (Depiction of Buildings and Publicly Accessible Private Improvements) to Exhibit C-3; and Exhibit C (Completion Schedule) to Exhibit C-3. The foregoing exhibits are hereby deleted in their entirety and replaced with the new forms of exhibits attached hereto: Exhibit B-1 (Site Plan), Exhibit C-1 (Open Space Plan); Exhibit B-1 (Description of Buildings) to Exhibit C-3; Exhibit B-2 (Depiction of Buildings and Publicly Accessible Private Improvements) to Exhibit C-3; and Exhibit C - (Completion Schedule) to Exhibit C-3.

B. EIFD Financing Plan. A new "Exhibit O - Financing Plan", in the form attached hereto, is hereby added to the Development Agreement.

4. NOTICE ADDRESSES

A. New Notice Addresses Under Section 14.10. The Parties hereby include a statement of the current addresses of the Parties for purposes of notices delivered in accordance with Section 14.10 of the Development Agreement:

To the City:

San Francisco Planning Department
49 South Van Ness Avenue
San Francisco, California 94103
Attn: Rich Hillis, Director of Planning

with a copy to:

David Chiu, Esq.
City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102
Attn: Real Estate/Finance, 3333 California Project

To Developer:

Laurel Heights Partners, LLC
c/o The Prado Group, Inc.
150 Post Street, Suite 320
San Francisco, California 94108
Attn: Daniel J. Safier

5. NO OTHER MODIFICATIONS

Except as expressly provided in this Second Amendment, the terms and provisions of the Development Agreement are unmodified.

6. COUNTERPARTS

This Second Amendment may be signed in counterparts, each of which shall be an original and all of which together shall constitute one instrument.

[signatures on following page]

IN WITNESS WHEREOF, the Parties hereto have executed this Second Amendment as of the Effective Date.

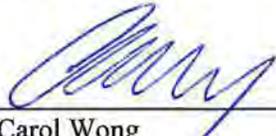
CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: 
Rich Hillis
Director of Planning

Approved as to form:

David Chiu, City Attorney

By: 
Carol Wong
Deputy City Attorney

Approved on November 25, 2024
Board of Supervisors Ordinance No.

Recommended:

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

DEVELOPER:

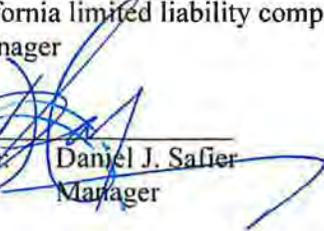
LAUREL HEIGHTS PARTNERS LLC,
a Delaware limited liability company

By: 3333 California LP,
a Delaware limited partnership,
its Manager

By: PSKS LH LLC,
a Delaware limited liability company,
its General Partner

By: Prado LH LLC,
a California limited liability company,
its Manager

By: TPG MGR LLC,
a California limited liability company,
its Manager

By: 
Name: Daniel J. Saifer
Title: Manager

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Francisco)

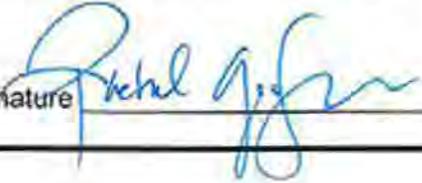
On May 6, 2025 before me, Rachel Gosiengfiao, notary public
(insert name and title of the officer)

personally appeared Richard Hillis
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



NOTARY ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California)
COUNTY OF San Francisco)SS

On April 30, 2025

before me, V. Lacy, a Notary Public, personally appeared

Daniel J. Safier

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and 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.

V. Lacy
Signature of Notary Public



NOTARY ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____)SS
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) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and 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 of Notary Public

Exhibit A

Project Site Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN FRANCISCO, IN THE COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

BEGINNING at a point on the Southerly line of California Street, said point being the Easterly extremity of the curve with a 15 foot radius joining the Easterly line of Laurel Street with the Southerly line of California Street, as shown on "Map of Laurel Heights, filed July 28, 1947, in Map Book "P", at Pages 55 and 56, Official Records of the City and County of San Francisco; running thence North $80^{\circ}54'$ East 707.375 feet along the Southerly line of California Street to the Southwesterly boundary of the property of the Standard Oil Company of California; thence South $52^{\circ}36' 29.74$ seconds East along said boundary 232.860 feet; thence Southwesterly along the arc of a curve to the right whose tangent deflects $54^{\circ}14' 30.74$ seconds to the right from the preceding course, radius 425 feet, central angle $34^{\circ}15'59"$, a distance of 254.176 feet; thence South $35^{\circ}54'$ West tangent to the preceding curve 380.066 feet; thence Southwesterly along the arc of a curve to the right, tangent to the preceding curve, radius 65 feet, central angle $37^{\circ}18'$ a distance of 42.316 feet to tangency with the Northwesterly line of Euclid Avenue; thence South $73^{\circ}12'$ West along said line of Euclid Avenue 312.934 feet; thence leaving said line of Euclid Avenue, and running Southwesterly, Westerly, and Northwesterly along the arc of a curve to the right, tangent to the preceding course, radius 20 feet, central angle $100^{\circ}48' 01.51"$, a distance of 35.186 feet; thence Northwesterly along the arc of a reverse curve to the left, parallel to and concentric with and radially distant 6 feet Northeastly from the Northeastly line of Laurel Street, as shown on said map of Laurel Heights, radius 4033 feet, central angle $5^{\circ}31' 20.27"$, a distance of 388.710 feet; thence Northwesterly along the arc of a compound curve to the left, radius 120 feet, central angle $71^{\circ}12' 55.45"$, a distance of 149.153 feet; thence Northwesterly along the arc of a reverse curve to the right, radius 80 feet, central angle $73^{\circ}38' 14.21"$, a distance of 77.113 feet to tangency with the Easterly line of Laurel Street; thence North $9^{\circ}06'$ West along said line of Laurel Street 127.290 feet to the beginning of the above mentioned curve joining the Easterly line of Laurel Street with Southerly line of California Street; thence Northwesterly, Northerly, and Northeastly along the arc of a curve to the right, radius 15 feet $90^{\circ}00'$, a distance of 23.562 feet to tangency with the Southerly line of California Street and the point of beginning.

APN: Lot 003, Block 1032

Exhibit B

Project Description

The Project Site is an approximately 446,490-square-foot, or 10.25-acre, parcel bounded by California Street to the north, Presidio Avenue to the east, Masonic Avenue to southeast, Euclid Avenue to the south, and Laurel Street/Mayfair Drive to the west, at the southern edge of San Francisco's Presidio Heights neighborhood in the northwest portion of San Francisco. The project sponsor, Laurel Heights Partners, LLC, owns the site and temporarily leases it to the Regents of the University of California, which uses the Project Site for its University of California San Francisco (UCSF) Laurel Heights Campus. The Project Site does not include the San Francisco Fireman's Credit Union (now called the SF Fire Credit Union) at the southwest corner of California Street and Presidio Avenue, which is on a separate parcel.

The Project Site is currently used as office and related research, child care, and parking. It is developed with a four-story, approximately 455,000-gross-square-foot office building including a three-level, 212-space, an approximately 93,000-gross-square-foot partially below-grade parking garage at the center of the site; a one-story, approximately 14,000-gross-square-foot annex building at the corner of California and Laurel streets; three surface parking lots with a total of 331 spaces connected by internal roadways; two circular garage ramp structures leading to below-grade parking levels; and landscaping or landscaped open space for the USCF Laurel Heights Campus occupants.

The proposed project includes approximately **1,440,254** gross square feet of new and rehabilitated space, comprising approximately **1,025,488** gross square feet of residential floor area with approximately **744** dwelling units; approximately **38,094** gross square feet of retail floor area; and an approximately **13,933** gross-square-foot child care center use. The proposed project would provide approximately **10** car share spaces and no more than **820** parking spaces, approximately **762** Class One bicycle spaces, and **77** Class Two bicycle spaces. These proposed uses would be located in 13 new buildings (known as Plaza A, Plaza B, Walnut, Walnut Affordable, Mayfair, Laurel Townhomes, Euclid and Masonic) and the two Center A and Center B buildings from the adaptive reuse of the existing office building, which would be divided into two separate buildings and converted to residential use.

16.87% of the proposed project's units will be deed-restricted, on-site affordable units designated for low-income senior households. These affordable units will be located in the proposed Walnut Affordable Housing Building on California Street and consist of 124 studios and 1-bedrooms for seniors plus one (1) on-site manager's unit. The Walnut Affordable Housing Building would also include an approximately **175-seat child care facility**, including a contiguous outdoor activity

area. The project includes approximately **38,094 square feet of neighborhood-serving retail** located in the buildings fronting onto California Street (Plaza A, Plaza B and the Walnut Affordable Housing Building). This retail corridor is aligned with the existing Laurel Village shopping center on California Street and will be designed to enhance the retail offerings for the neighborhood.

The proposed project would contain approximately 52 percent of the overall lot area (approximately 236,000 square feet – excluding green roofs) as open area, with portions to be developed with a combination of public open space, common open space (some of which would be open to the public) and private open space for residents. The proposed project would include **2.87 acres of publicly accessible landscaped open space** with multi-purpose plazas, lawns, pathways and streetscape improvements as further described in Exhibit C, which will provide the public with new open space amenities and improve pedestrian connectivity and safety through the neighborhood.

The Project's circulation and open space plan includes multiple new public entrances into and through the Site in order to integrate the Site with the surrounding neighborhood and street network. The proposed north-south pedestrian connection (Walnut Walk) and the proposed east-west pedestrian connection (Mayfair Walk) would be open to the public and would provide the primary points of access to other publicly accessible common open spaces, plazas, squares, and vista points within the Project Site. The proposed Walnut Walk would align with Walnut Street to the north and the intersection of Euclid and Masonic to the south, incorporating the site into the surrounding street grid.

Exhibit B-1

Site Plan



The final design is subject to modification following City review and approval of the submitted Site Permit applications

Exhibit C

Project Open Space

The Project would provide the following open space, substantially in accordance with Attachment C-1, Attachment C-2, Attachment C-3, and Schedule 1 to the Agreement:

1. Publicly Accessible Private Improvements. The Project would include the construction, operation, and maintenance of the Publicly Accessible Private Improvements, which is comprised of approximately 2.87 acres of open space (1.63 acres of which exceed the Planning Code open space requirements that would otherwise apply for the Project) developed as follows:
 - a. California Plaza: An approximately 3,599 square foot plaza adjacent to California Street and the Plaza A and B retail uses. California Plaza will be improved with a combination of quality hardscape, planters and seating elements adjacent to the City sidewalk and designed to comply with the City's Better Streets policies.
 - b. Cypress Square and Stairs: Cypress Stairs (approximately 982 sq. ft.) are one of several pedestrian access points into the Project and would connect pedestrians from California Street to Cypress Square and the network of internal public open spaces throughout the Project Site. There will also be ADA access from California Street to Cypress Square adjacent to the Cypress Stairs. Cypress Square would be an approximately 12,717 square foot south-facing plaza that would retain the existing mature and healthy Cypress trees identified in the landscape plan. It would include landscaped walkways and a central, paved open plaza area with wood decking, seating and landscaping.
 - c. Mayfair Walk: Mayfair Walk (approximately 25,135 sq. ft.) is the Project's main east-west pedestrian connector that will stitch the site back into the adjacent neighborhood's urban fabric with publicly-accessible landscaped pathways. The Walk includes a connection to Mayfair Drive/Laurel Street to the west with seating, stairs and landscaping, including the retention of existing mature and healthy oak trees and the addition of new trees as identified in the landscape plan. The Walk would include a hardscape pathway with landscaped borders and access to ground floor residential units. The Walk would connect with the ADA-accessible Pine Street Stairs to Presidio Avenue to the east.
 - d. Presidio Overlook: At the east side of the Project Site atop Pine Street Stairs, the Presidio Overlook will provide scenic views of downtown San Francisco for the public and ADA and stair access to Presidio Avenue. The Overlook will consist of approximately 9,376 square feet of open space and would include a large terrace with trees, planters and seating. The Overlook would act as an interconnection and scenic area between the east portion of the Mayfair Walk and the Pine Street Stairs.

- e. **Pine Street Steps**: The Pine Street Steps would be approximately 13,067 square feet and are inspired by California's indigenous biodiversity and include a grove of mature existing and new Redwood trees. They have been designed to provide the public with an ADA-accessible connection from the east side of the Project Site to the west.
- f. **Walnut Walk North and Walnut Walk South**: Walnut Walk would consist of a total of approximately 24,314 square feet of open space and will be the Project's main north-south public pedestrian access. Walnut Walk would run through the center of the Project Site from California Street (via Walnut Court) to the Masonic and Euclid Avenue intersection, helping to stitch the site back into the neighborhood's urban fabric. Walnut Walk would be a pedestrian pathway with a network of landscaped open spaces and seating.
- g. **Walnut Drive and Walnut Court**: Walnut Drive and Walnut Court would consist of approximately 16,818 square feet of open space and would include tree-lined hardscape pedestrian walkways on either side of Walnut Drive leading into Walnut Court, which would include a tree-lined vehicular turnaround plaza with a tree feature at the center. The drive and court areas would provide direct access to California Street, Mayfair Walk and Walnut Walk.
- h. **Euclid Green**: The new green lawn at the corner of Euclid and Laurel would provide the public with views of downtown San Francisco to the east, and views of the Golden Gate Bridge to the northwest. Euclid Green will consist of approximately 21,958 square feet of open space at the southwest corner of the Project at Laurel Street and Euclid Avenue. The existing green lawn will be renovated and maintained as a large, naturally sloping lawn with plantings and a direct access to the sidewalks on Euclid Avenue and Laurel Street.

The Publicly Accessible Private Improvements will be privately owned but accessible to the public on the terms described in Attachment C-2 and Attachment C-3. The Publicly Accessible Private Improvements would be provided substantially as depicted in Attachment C-1, constructed in accordance with the terms of Attachment C-2 and Schedule 1, and operated and maintained on the terms of Attachment C-2 and Attachment C-3.

- 2. **Streetscape Improvements**. The Project would include the streetscape improvements depicted in Attachment C-1 to enhance the safety of, and strengthen the network of, existing sidewalks and street crossings that abut the Project Site including Presidio Avenue, Masonic Avenue, Euclid Avenue, Laurel Street, Mayfair Street and California Street.
- 3. **Provision of Required Open Space**. The amount and phasing of private and/or common usable open space for the residential uses on the Project shall be governed by the Approvals.

Exhibit C-1
Open Space Plan



The final design is subject to modification following City review and approval of the submitted site permit applications for the Project

Exhibit B-1
(to Exhibit C-3)

Description of Buildings

Plaza A and B:

These buildings are located on the northwest corner of the site along California Street between Laurel Street and the Project entrance aligned with Walnut Street to the north. Plaza A is 73 residential units and 13,594 GSF of retail space. Plaza B is 69 residential units and 16,034 GSF of retail space. Both buildings sit atop the California Street Garage which contains its required residential and retail parking and associated building accessory and utility spaces. The California Street Garage also sits below the Walnut Building and the Walnut Affordable Housing Building (see descriptions below). The California Street Garage includes some of the required parking and associated building accessory and utility spaces for the Center A and B buildings (see their description below).

Walnut Building:

This building is located near the northeast corner of the site, to the south of the Walnut Affordable Housing Building and immediately west of the Firemen's Credit Union (triangular lot at the corner of California Street and Presidio Avenue which is not part of the Project or site). The Walnut Building includes 60 residential units. As described above, this building sits atop the California Street Garage which contains its required residential parking and associated building accessory and utility spaces.

Walnut Affordable Housing Building:

This building is located near the northeast corner of the site along California Street between the Project entrance aligned with Walnut Street to the north and the Firemen's Credit Union (triangular lot at the corner of California Street and Presidio Avenue which is not part of the Project or site). The Walnut Affordable Housing Building includes 124 affordable senior units and one manager's unit, and would be located atop 8,467 GSF for retail space and a 13,933 GSF child care use. As described above, this building sits atop the California Street Garage which contains its required residential, retail and childcare parking and associated building accessory and utility spaces.

Center A and B:

Center A and B are located in the existing office building. This existing building will be partially demolished and reused for residential use. The building is located approximately in the middle of the site with frontages on Presidio and Masonic Avenue. Center A includes 48 residential units and Center B includes 104 residential units. There is a small existing garage below Center B that includes a portion of its required residential parking. The remaining Center B parking is located within the California Street Garage. The required residential parking for Center A is located within the Masonic Garage. The California Street and Masonic Garages will also include associated building accessory and utility spaces for these two buildings.

Masonic and Euclid Buildings:

These buildings are located on the south side of the site along Masonic and Euclid Avenues, Masonic to the east and Euclid to the west. Masonic is 52 residential units and Euclid is 171 residential units. Both buildings sit atop the Masonic Garage which contains their required residential parking and associated building accessory and utility spaces. The Masonic Garage includes some of the required parking and associated building accessory and utility spaces for the Center A and B Buildings (see their description above).

Mayfair Building:

The Mayfair Building is located on the west side of the site along Laurel Street between Plaza A and the Laurel Duplexes. It contains 30 residential units and sits atop its own garage containing its parking, accessory and utility spaces. Mayfair shares a common driveway off Laurel Street with the Laurel Duplexes.

Laurel Duplexes:

The Laurel Duplexes are comprised of six independent structures each housing two residential units for a total of 12 residential units. All six buildings face Laurel Street on the west side of the site between the Mayfair Building and Euclid Green. The parking for these buildings is located at their lowest level and accessed off a shared driveway with the Mayfair Building.

Exhibit B-2
(to Exhibit C-3)

Depiction of Buildings and Publicly Accessible Private Improvements



The final design is subject to modification following City review and approval of the submitted Site Permit applications

Exhibit C
(to Exhibit C-3)

Completion Schedule

Declarant's obligation to construct a Publicly Accessible Private Improvement (as defined below) shall be as follows:

1. **Description of Publicly Accessible Private Improvements.** Each of the following shall be a "Publicly Accessible Private Improvement" and shall collectively be the "Publicly Accessible Private Improvements":

a. **California Plaza:** An approximately 3,599 square foot plaza adjacent to California Street, located in the general area depicted in the attached Exhibit B-2. The improvements will consist of a combination of quality hardscape, planters and seating elements that are adjacent to the abutting public sidewalk and designed to comply with the City's Better Streets policies.

b. **Cypress Square:** An approximately 12,717 square foot south-facing plaza that will connect to Cypress Stairs and Mayfair Walk, located in the general area depicted in the attached Exhibit B-2. The improvements will consist of the existing mature and healthy Cypress trees identified on Sheet L.201 of the Conceptual Plans (the "**Landscape Plan**"), hardscaped walkways, and a central, paved open plaza area with wood decking, seating and landscaping.

c. **Cypress Stairs:** An approximately 982 square foot pedestrian walkway that will connect pedestrians from California Street to Cypress Square, located in the general area depicted in the attached Exhibit B-2. The improvements will consist of stairs with landscaped planters along the edges.

d. **Euclid Green:** An approximately 21,958 square foot open space with direct access to the sidewalks on Euclid Avenue and Laurel Street, located in the general area depicted in the attached Exhibit B-2. The improvements will consist of a large, naturally sloping lawn with plantings.

e. **Mayfair Walk:** An approximately 25,135 square foot east-west pedestrian connector that will connect to Mayfair Drive/Laurel Street to the west and the ADA-accessible Pine Street Stairs to Presidio Avenue to the east, located in the general area depicted in the attached Exhibit B-2. The improvements will consist of an approximately twenty foot (20') wide hardscape pathway with landscaped borders and access to ground floor residential units, seating, stairs, landscaping, and the retained mature and healthy oak trees and new trees identified in the Landscape Plan.

f. **Presidio Overlook:** An approximately 9,376 square foot open space atop Pine Street Stairs that will be an interconnection and scenic area between the east portion of the Mayfair Walk and the Pine Street Stairs, located in the general area depicted in the attached Exhibit B-2. The improvements will consist of a terrace with trees, planters, and seating.

g. Pine Street Steps: An approximately 13,067 square foot pedestrian walkway that will connect the Presidio Overlook to Pine Street and Masonic Avenue, located in the general area depicted in the attached Exhibit B-2. The improvements will consist of stairs with landscaped planters and green areas along the edges.

h. Walnut Drive and Walnut Court: Approximately 16,818 square feet of open space that will provide direct access to California Street, Mayfair Walk and Walnut Walk, located in the general area depicted in the attached Exhibit B-2. The Walnut Drive improvements will consist of a hardscaped roadway with tree-lined hardscape pedestrian walkways on either side of the paved area, and the Walnut Court improvements will consist of a tree-lined hardscaped vehicular turnaround plaza with a tree feature at the center.

i. Walnut Walk North: Approximately 5,717 square feet of open space that will run through the center of the Project Site from Walnut Court to the southern boundary of the future legal parcels created for Plaza Building A and Plaza Building B, located in the general area depicted in the attached Exhibit B-2. The improvements will consist of an approximately twenty foot (20') wide hardscaped pedestrian pathway with a network of landscaped open spaces and seating. Once Walnut Walk North and Walnut Walk South are completed, they will collectively create the main north-south public pedestrian connection through the Project Site between Masonic and Euclid Avenue to Walnut Court.

j. Walnut Walk South: Approximately 18,597 square feet of open space that will run through the center of the Project Site from the southern boundary of the future legal parcels created for Plaza Building A and Plaza Building B and the intersection at Masonic Avenue and Euclid Avenue, located in the general area depicted in the attached Exhibit B-2. The improvements will consist of an approximately twenty foot (20') wide hardscaped pedestrian pathway with a network of landscaped open spaces and seating. Once Walnut Walk North and Walnut Walk South are completed, they will collectively create the main north-south public pedestrian connection through the Project Site between Masonic and Euclid Avenue to Walnut Court.

k. Alternative Pedestrian Access Paths: Any path constructed under Section 4 below.

2. Installation Schedule. An “**Occupancy Certificate**” means a certificate of occupancy, including any temporary certificate of occupancy. Subject to Section 3 below, Declarant shall complete the construction of the Publicly Accessible Private Improvements as follows:

a. California Plaza. Declarant shall complete construction of California Plaza before the issuance of an Occupancy Certificate for any non-retail portion of the Plaza A Building, which is described on the attached Exhibit B-1 and depicted on the attached Exhibit B-2. Once completed, California Plaza shall be associated with the Plaza A Building.

b. Cypress Square. Declarant shall complete construction of Cypress Square before the issuance of an Occupancy Certificate for any non-retail portion of the Plaza B Building, which is described on the attached Exhibit B-1 and depicted on the attached Exhibit B-2. Once completed, Cypress Square shall be associated with the Plaza B Building.

c. Cypress Stairs. Declarant shall complete construction of the Cypress Stairs before the issuance of an Occupancy Certificate for any non-retail portion of the later of the Plaza A Building or the Plaza B Building. Once completed, Cypress Stairs shall be associated with the Plaza A Building and the Plaza B Building.

d. Euclid Green. Declarant shall complete construction of Euclid Green before the issuance of an Occupancy Certificate for the Project's final Building; provided, however, that if the Declarant receives an Occupancy Certificate for any Building without completing all proposed Buildings during the DA Term, then Euclid Green shall be completed by the end of the DA Term. Once completed, Euclid Green shall be associated with the Euclid Building or, if the Euclid Building has not been constructed, it shall be associated with the legal parcel of the constructed multi-unit Building (excluding the Mayfair Building and the Townhomes) that is closest to Euclid Green on the expiration of the DA Term.

e. Mayfair Walk. Declarant shall complete construction of Mayfair Walk in the following segments:

i. The segment adjacent to the Mayfair Building (described on the attached Exhibit B-1 and depicted on the attached Exhibit B-2) and the Plaza A Building must be completed before the issuance of an Occupancy Certificate for any non-retail portion of the later of Mayfair Building or the Plaza A Building. Once completed, such segment shall be associated with the Mayfair Building and the Plaza A Building.

ii. The segment adjacent to the Mayfair Building and the Plaza A Building must be completed before the issuance of an Occupancy Certificate for any non-retail portion of the later of Mayfair Building or Plaza A Building. Once completed, such segment shall be associated with the Mayfair Building and the Plaza A Building.

iii. The segment adjacent to the Plaza B Building and the Center A Building (described on the attached Exhibit B-1 and depicted on the attached Exhibit B-2) must be completed before the issuance of an Occupancy Certificate for any non-retail portion of the later of the Plaza B Building or the Center A Building, and the completion of the Center B Building, as applicable. Once completed, such segment shall be associated with the Plaza B Building and the Center A Building.

f. Pine Street Steps. Declarant shall complete construction of the Pine Street Steps before the issuance of an Occupancy Certificate for any non-retail portion of the Center Building B. Once completed, the Pine Street Steps shall be associated with Center Building B.

g. Presidio Overlook. Declarant shall complete construction of the Presidio Overlook before the issuance of an Occupancy Certificate for any non-retail portion of the Center Building B. Once completed, Presidio Overlook shall be associated with Center Building B.

h. Walnut Drive and Walnut Court. Declarant shall complete construction of Walnut Drive and Walnut Court before the later to occur of the issuance of an Occupancy Certificate for

any non-retail portion of the Plaza B Building or the Walnut Affordable Housing Building (described on the attached Exhibit B-1 and depicted on the attached Exhibit B-2). Once completed, Walnut Drive and Walnut Court shall be associated with the Plaza B Building and the Walnut Affordable Housing Building.

i. Walnut Walk North. Declarant shall complete construction of Walnut Walk North before the later to occur of the issuance of an Occupancy Certificate for any non-retail portion of the Center A Building or the Center B Building. Once completed, Walnut Walk North shall be associated with the Center A Building and the Center B Building

j. Walnut Walk South. Declarant shall complete construction of Walnut Walk South before the later to occur of the issuance of an Occupancy Certificate for any non-retail portion of the Euclid Building (described on the attached Exhibit B-1 and depicted on the attached Exhibit B-2) or the Masonic Building (described on the attached Exhibit B-1 and depicted on the attached Exhibit B-2). Once completed, Walnut Walk South shall be associated with the Euclid Building and the Masonic Building.

3. Delayed Completion. Notwithstanding anything to the contrary in Section 2 above, if Declarant wishes to receive the first Occupancy Certificate for the non-retail portion of any of the buildings described in Section 2 above before completing its associated Publicly Accessible Private Improvement, Declarant may complete that associated Publicly Accessible Private Improvement at a later time by providing to the City, prior to issuance of the first Occupancy Certificate for any non-retail portion of that building, a surety performance bond or other security in form acceptable to the City and in an amount equal to 100% of the reasonably estimated cost to complete that Publicly Accessible Private Improvement as required in this Declaration, and shall diligently and continuously pursue that Publicly Accessible Private Improvement to completion following which such bond will be released.

4. Alternative Pedestrian Access. If Declarant receives an Occupancy Certificate for any Building without completing all proposed Buildings during the DA Term that would otherwise require the completion of Walnut Walk North, Walnut Walk South, and Mayfair Walk as described above, then Declarant, in conjunction with the Planning Department, shall design an alternative plan for pedestrian access that seeks to achieve similar pedestrian access and widths as Walnut Walk North, Walnut Walk South, and Mayfair Walk, but takes into account then then-current on-site conditions, including locations of improvements and the Project Site's topography, and the Declarant shall construct such alternative plan improvements prior to the end of the DA Term. On their substantial completion, such alternative plan improvements shall be a Publicly Accessible Private Improvement and the portion of the Project Site improved with such alternative plan improvements shall be a Publicly Accessible Private Improvement.

Exhibit D

Affordable Housing Program

This Exhibit D describes the affordable housing program for the Project (the “**Housing Plan**”). All initially-capitalized, undefined terms used in this Exhibit D shall have the meanings given to them in the Development Agreement (as defined below).

Recognizing the City’s pressing need for housing – market rate and affordable - the Developer has agreed to (1) increase the total number of residential units for the Project from the 558 residential units initially proposed to 744 residential units; (2) construct a 125 unit affordable housing building consisting of 124 studio and one-bedroom affordable residential units for Senior Households (the “**BMR Units**”) and one Manager Unit (as defined below) at the Project Site in order to make approximately 17% of the Project’s residential units affordable; and (3) fund all predevelopment costs and gap financing required to complete the BMR Units.

Subject to any modifications pursuant to this Housing Plan, the BMR Units will be deed-restricted to be affordable to Senior Households (as defined below) with incomes below 80% of MOHCD AMI (as defined below), with an overall average of not more than 59% of MOHCD AMI.

1. Definitions.

“**Adjustment Date**” means each anniversary of the Effective Date.

“**Affordable Housing Developer**” means Mercy Housing California, a non-profit California corporation, or any other non-profit affordable housing developer with experience developing and operating affordable housing in San Francisco.

“**Affordable Rent**” means a monthly rental charge for a BMR Unit (including the Utility Allowance applicable to the Household Size of such BMR Unit but excluding parking charges if a parking space is allocated to such BMR Unit) that does not exceed thirty percent (30%) of the maximum MOHCD AMI permitted for such BMR Unit, based on Household Size; provided, however, that if the MOHCD Director (or his, her, or their designee) modifies the MOHCD AMI for the BMR Units pursuant to Section 2.C below, then the Affordable Rent shall not exceed the lower of (i) twenty percent (20%) below the market-rate rents in the neighborhood (as determined pursuant to the MOHCD Manual), and (b) thirty percent (30%) of the maximum MOHCD AMI permitted for such BMR Unit, based on Household Size.

“**Approved Legal Description**” means a legal description of the Walnut Land that substantially conforms to the depiction attached as Exhibit D-1 and is approved by the City’s Director of Property and the MOHCD Director, or their respective designees.

“**CofO**” means a first certificate of occupancy issued by City’s Department of Building Inspection, including any temporary certificate of occupancy.

“CPI Increase” means, for the first Adjustment Date, the difference between the published CPI Index in effect at the time of the first Adjustment Date and the published CPI Index in effect at the time of the Effective Date. For each following Adjustment Date, the “CPI Increase” means the difference between the published CPI Index in effect at the time of an applicable Adjustment Date and the published CPI Index in effect at the time of the immediately-preceding Adjustment Date.

“CPI Index” means the Consumer Price Index for All Urban Consumers (base years 1982-1984 = 100) for the San Francisco-Oakland-San Jose area, published by the United States Department of Labor, Bureau of Labor Statistics or, if the Consumer Price Index is discontinued or revised during the Term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Consumer Price Index had not been discontinued or revised.

“Deed of Trust” is defined in Section 4.D.

“Development Agreement” shall mean the Development Agreement, dated as of September 11, 2020, and recorded in the Official Records as Doc. No. 2020015925 on September 11, 2020, as amended by a Memorandum of Minor Modification of Development Agreement (Amendment No. 1) dated June 5, 2024, and recorded in the Official Records as Doc. No. 2024048267 on June 26, 2024, and Second Amendment to Development Agreement, dated April 30, 2025, and subsequently recorded in the Official Records.

“Development Fee Deferral Surcharge Rate” means an amount determined by DBI under Building Code Section 107A.13.3.2.

“Effective Date” has the meaning set forth in Section 2.1 of the Development Agreement.

“Final Building Design” means the final design of a Building, as set forth in the applicable building permit drawings, that establishes the final number of the Market Rate Units for that Building, which may differ slightly from the number of Market Rate Units originally described for that Building in the Development Agreement.

“First Construction Document” shall be as defined in San Francisco Building Code Section 107A.13.1(a)(8).

“Fair Market Value” shall have the meaning given such term in Exhibit D-2.

“Gap Fee” means an amount equal to (i) the Gross Floor Area (as defined in Planning Code Section 401) for an applicable Market Rate Unit multiplied by (ii) an amount equal to, at the time of calculation, (A) \$199.50 per square foot of such Gross Floor Area (the fee amount will be adjusted each anniversary of the Effective Date by the CPI Increase) multiplied by (B)(1) sixteen and 4/10 percent (16.4%) or (2) the applicable percentage under any Applicable Laws that become effective after the date of the Second Amendment to the Development Agreement, whichever percentage under the preceding clauses (B)(1) and (B)(2) is lower.

“General Construction Closing” means the close of escrow for the construction loan and all other financing needed to Commence Construction and complete the construction of the Walnut Affordable Housing Building.

“Household” means one or more related or unrelated individuals who live together or intend to live together in a BMR Unit as their primary dwelling.

“Household Size” means the number of persons in a Household as calculated under the MOHCD Manual.

“Housing Entity” means a limited partnership with the Affordable Housing Developer (or a subsidiary entity owned or controlled by Affordable Housing Developer) as the general partner.

“HUD” means the United States Department of Housing and Urban Development, or any successor agency.

“LIHTC” means the federal low-income housing tax credit 4% program.

“Manager Unit” means the 2-bedroom unit for the Walnut Affordable Housing Building manager and is one of the 125 units to be constructed in such building.

“Market Rate Unit” means any Project Site residential unit that is not a BMR Unit or the Manager’s Unit.

“MOHCD AMI” means median income as published annually by MOHCD, which is derived, in part, from the income limits determined by HUD for the San Francisco area, adjusted solely for household size but not high housing cost area. If HUD ceases to publish such data for 18 or more months, MOHCD and the Housing Entity will make good faith efforts to agree on other publicly available and credible substitute data for MOHCD AMI.

“MOHCD Director” means the Director of the Mayor’s Office of Housing and Community Development.

“MOHCD Manual” means the City and County of San Francisco Inclusionary Affordable Housing Program Monitoring and Procedures Manual, as published by MOHCD and as updated from time to time.

“Outside Date” means the 16th anniversary of the Effective Date.

“Property Covenants” is defined in Section 2.A.

“Second Amendment to the Development Agreement” means the Second Amendment to the Development Agreement entered into between Developer and City and to which this amended and restated Exhibit D is attached.

“Section 415” means the City’s Inclusionary Affordable Housing Program (Planning Code Sections 415, 415.1 through 415.11), as amended from time to time.

“**Senior Households**” means a household that is 62 years old or older, or as otherwise defined by the requirements of any funding source used to construct or operate the Walnut Affordable Housing Building.

“**Tax Credit Construction Closing**” means the later date to occur of (i) the close of escrow for the construction loan and all other financing needed to Commence Construction and complete the construction of the Walnut Affordable Housing Building, and (ii) the date the regulatory agreement for the tax-exempt bonds issued for the construction of the Walnut Affordable Housing Building is recorded in the Official Records of the City and County of San Francisco and encumbers the Walnut Housing Parcel.

“**Title Policy**” is defined in Section 4.F.

“**Utility Allowance**” means a dollar amount determined in a manner acceptable to the California Tax Credit Allocation Committee, which may include an amount published periodically by the San Francisco Housing Authority or successor based on standards established by HUD, for the cost of basic utilities for households, adjusted for Household Size. If both the San Francisco Housing Authority and HUD cease publishing a Utility Allowance, then Developer may use another publicly available and credible dollar amount approved by MOHCD.

“**Walnut Affordable Housing Building**” is defined in Section 2.A.

“**Walnut Child Care Parcel**” is defined in Section 2.A.

“**Walnut Construction Closing**” means either (i) the Tax Credit Construction Closing if there is an allocation of LIHTC for the Walnut Affordable Housing Building, or (ii) the General Construction Closing if there is not an allocation of LIHTC for the Walnut Affordable Housing Building.

“**Walnut Garage Parcel**” is defined in Section 2.A.

“**Walnut Housing Parcel**” is defined in Section 2.A.

“**Walnut Market Rate Parcel**” is defined in Section 2.A.

“**Walnut Retail Parcel**” is defined in Section 2.A.

“**Walnut Land**” is defined in Section 2.A.

2. Walnut Affordable Housing Building

A. Description. The 124 BMR Units and the one Manager Unit will all be located in a single residential building (the “**Walnut Affordable Housing Building**”) that will be located within a condominium parcel, or other vertical subdivision parcel (the “**Walnut Housing Parcel**”) on, or which includes, the portion of the Project Site depicted as the “Walnut Land” on Exhibit D-1 (the “**Walnut Land**”). The Walnut Affordable Housing Building will be comprised only of 125 units, consisting of BMR Units and the Manager Unit (which shall only be occupied by the Walnut Affordable Housing Building manager or, to the extent permitted under law, other

property management staff), and the common and parking areas for the BMR Units and Manager Unit. Developer will create condominium parcels, or other vertical subdivision parcels, for the garage (the “**Walnut Garage Parcel**”), retail uses (the “**Walnut Retail Parcel**”), child care uses (the “**Walnut Child Care Parcel**”), and the market rate residential building (the “**Walnut Market Rate Parcel**”) which will also be located on portions of the Walnut Land. The Walnut Housing Parcel, the Walnut Garage Parcel, the Walnut Retail Parcel, and the Walnut Child Care Parcel will be created through a final map prepared under the Tentative Map as required in the Subdivision Map. The Parties acknowledge and agree that the legal description for the Walnut Land currently set forth on Exhibit D-1 will change as Developer revises the Tentative Map to reflect the changes to the Project described in the Second Amendment to the Development Agreement and as vertical air rights parcels are created.

Developer shall (i) obtain legal descriptions for the Walnut Housing Parcel and the Walnut Child Care Parcel, and a revised legal description for the Walnut Land, that are reasonably acceptable to City, (ii) cause the Walnut Land to be made a separate legal parcel, (iii) record a declaration of restrictions (in a form approved by City and using such approved legal descriptions) that (A) encumbers the Walnut Land, (B) limits the use of (1) the Walnut Housing Parcel to the construction and operation of the Walnut Affordable Housing Building and (2) the Walnut Child Care Parcel to the construction and operation of a child care facility and (C) limits off-street parking spaces for the Walnut Affordable Housing Building to a rate of no more than 0.5 parking spaces per unit, and (iv) grant the Affordable Housing Developer or the Housing Entity a Site Control Document (as defined below) subject to the foregoing declaration of restrictions and the Deed of Trust. Developer shall fulfill the obligations in the foregoing sentence before the earlier to occur of (1) the date on which the Affordable Housing Developer reasonably requires the Walnut Housing Parcel and Walnut Land legal descriptions and a Site Control Document, as described herein below, and (2) obtaining a First Construction Document for the two hundred seventieth (270th) Market Rate Unit. If Developer determines that the 270 Market Rate Unit cap set forth in the foregoing sentence needs to be increased as a result of a Final Building Design, then Developer may request an increase. The Planning Director, or the Planning Director’s designee, shall have the right to approve an increase of up to five percent (5%) of the number of Market Rate Units above the 270 Market Rate Unit cap and such approval shall be handled administratively. Thereafter, references to 270 Market Rate Units in this Housing Plan shall mean references to the increased number of Market Rate Units. Any increase of more than five (5%) percent shall constitute a Material Change. Developer anticipates that the Affordable Housing Developer will require the following in order to demonstrate sufficient site control prior to the date on which the Affordable Housing Developer submits its LIHTC application: (A) creation of the legal descriptions for the Walnut Housing Parcel and Walnut Land and (B) one of the following (each, a “Site Control Document”): an executed (i) option to acquire the Walnut Housing Parcel, or (ii) purchase and sale agreement for the Walnut Housing Parcel, or (iii) long-term lease of the Walnut Housing Parcel.

In connection with the development of the Project, Developer shall have the right to enter into commercially reasonable licenses, easements, covenants, conditions and restrictions, reciprocal easement agreements, and similar agreements that affect the Walnut Housing Parcel to the extent necessary for the use or operation of any portion of the Walnut Housing Parcel or the common areas shared by the Walnut Housing Parcel (each, a “**Property Covenant**”); provided, however, that (i) Developer shall deliver the final version of each proposed Property Covenant to

the MOHCD Director, or the MOHCD Director's designee, at least thirty (30) days before it is fully executed or recorded in the Official Records of San Francisco County and (ii) all maintenance, repair, replacement and installation costs to be paid under a Property Covenant for the common area benefitting the Walnut Garage Parcel, the Walnut Retail Parcel, the Walnut Housing Parcel, the Walnut Child Care Parcel, and the Walnut Market Rate Parcel shall be proportionately allocated to the owners of the Walnut Garage Parcel, the Walnut Retail Parcel, the Walnut Housing Parcel, the Walnut Child Care Parcel, and the Walnut Market Rate Parcel based on the relative size of their respective parcel or any other commercially reasonable allocation that is approved in advance by the MOHCD Director or the MOHCD Director's designee, which approval shall not be unreasonably withheld.

B. Housing Entity. Developer and the Affordable Housing Developer will form the Housing Entity, and the Developer will contribute the Walnut Housing Parcel (subject to the requirements of the Development Agreement) to the Housing Entity, prior to the date on which the Affordable Housing Developer reasonably requires the obligations to be fulfilled. Developer anticipates that it will need to fulfill such obligations prior to the date on which the Affordable Housing Developer receives an allocation of any LIHTC pursuant to its California low-income housing tax credit application(s) for the Walnut Affordable Housing Building. The Housing Entity must operate the Walnut Affordable Housing Building to only serve Senior Households with incomes below 80% of MOHCD AMI, with an overall average of not more than 59% of MOHCD AMI.

C. Financing. Developer, the Affordable Housing Developer, and the Housing Entity will structure equity and debt financing for the construction and operation of the Walnut Affordable Housing Building and the Affordable Housing Developer will seek LIHTC and City-issued tax-exempt bond financing for the construction of the Walnut Affordable Housing Building; provided, however, that the Developer will fund all predevelopment costs and gap financing required to complete the construction of the Walnut Affordable Housing Building.

Developer, the Affordable Housing Developer, and the Housing Entity may apply to the following state funding programs for constructing the Walnut Affordable Housing Building without the City's prior written consent: the Multifamily Housing Program (MHP) and the Infill Infrastructure Grant Program (IIG). At the time of such application, the applying party shall provide the MOHCD Director, or the MOHCD Director's designee, with written notification of such application and a commitment that the award of such funding would lower the average MOHCD AMI for the Walnut Affordable Housing Building. Neither the Developer nor the Housing Entity can seek other federal or other state resources for constructing the Walnut Affordable Housing Building without the prior written consent of the MOHCD Director (or the MOHCD Director's designee), which consent may be withheld if the award of such funding would not result in a lower average MOHCD AMI for the Walnut Affordable Housing Building or applying for the proposed funding would compete with the application of a MOHCD-supported project. Subject to the paragraph immediately below, a failure to obtain LIHTC, MHP, IIG, or non-competitive federal or state resources for constructing the Walnut Affordable Housing Building shall not decrease the Developer's affordable housing or other obligations under the Development Agreement. City has no obligation to provide any funding for the Walnut Affordable Housing Building. Developer may collaborate with other entities to obtain additional

funding sources to the extent that those sources contribute to the feasibility, production speed, or increase the affordability of the Walnut Affordable Housing Building.

Notwithstanding the requirements that the Walnut Affordable Housing Building only serve Senior Households with incomes below 80% of MOHCD AMI (with an overall average of not more than 59% of MOHCD AMI) in this Housing Plan and the Development Agreement, if, after diligent pursuit and submittal of three (3) complete applications for LIHTC allocations, the Developer, Affordable Housing Developer, or the Housing Entity is unable to receive an allocation of LIHTC in the full amount requested in the applicable LIHTC application, then the MOHCD Director or the MOHCD Director's designee shall have the right, in his, her, or their sole discretion, to (i) adjust the allowable MOHCD AMI for the BMR Units with the intent being to achieve an average of 100% MOHCD AMI (no more than 120% MOHCD AMI for rental units or 150% MOHCD AMI for ownership units), and (ii) modify the target population for the Walnut Affordable Housing Building.

If the (i) MOHCD AMI or (ii) target population for the BMR Units, or both, are so modified, then Developer may proceed with development of the Walnut Affordable Housing Building as so modified, including creation of the Housing Entity that may include an Affordable Housing Developer, receipt and use of funds in the Escrow Account, and applying for state and federal grants and resources for the Walnut Affordable Housing Building, pursuant to the terms of this Housing Plan. City agrees that Developer may elect to proceed with development of the Walnut Affordable Housing Building as so modified without an Affordable Housing Developer if Developer desires to construct the Walnut Affordable Building without the assistance of an Affordable Housing Developer. City agrees that if development of the Walnut Affordable Housing Building as so modified proceeds, then (a) references in this Housing Plan and the Development Agreement to the Walnut Affordable Housing Building and the BMR Units shall mean such building and units as modified pursuant to this paragraph, and (b) if Developer desires to construct the Walnut Affordable Building without the assistance of an Affordable Housing Developer, then references in this Housing Plan to the Affordable Housing Developer shall mean the Developer and references to the Housing Entity shall mean the entity that Developer forms to develop and manage the modified Affordable Housing Building and BMR Units. The modifications described in this paragraph shall not constitute Material Changes.

D. **Project Phasing.** The Developer will not Commence Construction of more than four hundred seventy-seven (477) Market Rate Units unless the Walnut Construction Closing has occurred and the funds in the Escrow Account are disbursed, or are available to be disbursed, to the Affordable Housing Developer. Developer shall remain obligated to fund any remaining gap in the cost of constructing the Walnut Affordable Housing Building, including any amounts in excess of the amounts provided under the foregoing clause (ii), as such gap-funding obligation is more specifically set forth in this Housing Plan.

If Developer determines that the 477 Market Rate Unit cap set forth above needs to be increased as a result of a Final Building Design, then Developer may request an increase. The Planning Director, or the Planning Director's designee, shall have the right to approve an increase of up to five percent (5%) of the number of Market Rate Units above the 477 Market Rate Unit cap and such approval shall be handled administratively. Thereafter, references to 477

Market Rate Units in this Housing Plan shall mean references to the increased number of Market Rate Units. Any increase of more than five (5%) percent shall constitute a Material Change.

E. **Equivalency.** The Walnut Affordable Housing Building shall be substantially equivalent to the Project's other multi-unit residential buildings in exterior appearance and overall quality of construction. All BMR Units must be wired for telephone, cable, and internet access and have substantially equivalent interior features and amenities (e.g., balconies, outdoor patios, number of bathrooms) as the studio and 1-bedroom rental Market Rate Units. Equivalency shall be guided by the MOHCD Manual as applicable to this Housing Plan, except that the terms set forth in the Development Agreement (including this Housing Plan) shall prevail (including the Parties' agreement that all BMR Units will be studio or 1-bedroom residential units located in the Walnut Affordable Housing Building).

F. **Rental: Affordability.** The initial rental and re-rental of the BMR Units shall comply with the lottery preferences and other provisions utilized by MOHCD under the MOHCD's Housing Preferences and Lottery Procedures Manual, as published by MOHCD and as each may be updated from time to time, to the extent permitted by law, and the reporting and monitoring requirements of the MOHCD Manual, to the extent permitted by law. The BMR Units must be provided at Affordable Rents and in accordance with the rent requirements in the MOHCD Manual and MOHCD's Hold Harmless Policy for MOHCD's Income Limits and Maximum Rents, effective as of May 3, 2019, as may be updated from time to time. The Developer or the Housing Entity shall record affordability and leasing restrictions that are senior to any financing documents and remain in effect for the life of the Walnut Affordable Housing Building against each of the BMR Units, in a form and priority approved by MOHCD, before their occupancy. The Housing Entity shall carry appropriate insurance to allow for the reconstruction of the Walnut Affordable Housing Building if there is any damage or casualty.

G. **Outreach.** Given the Project's Site's location, the Parties desire that, to the greatest extent permitted by MOHCD's then-applicable policies and procedures, pre-marketing and marketing programs for BMR Units target residents of Supervisorial District 2 and/or residents residing within three-quarter (0.75) miles of the Project Site. In addition, the Parties desire that residents of District 2 and residents residing within three-quarter (0.75) miles of the Project Site be given the maximum neighborhood preference for leasing of BMR Units permitted under MOHCD's then-applicable policies and procedures.

H. **Planning Code Section 415.** Except for Planning Code Section 415.6(a)-(f), (h) and (i), the Parties shall implement affordable housing requirements for the Walnut Affordable Housing Building that incorporate the provisions of Planning Code Section 415 and the MOHCD Manual. The following changes shall be deemed to conflict with the Development Agreement and therefore shall not apply to the Project: (i) any increase in the required number or percentage of affordable housing units beyond what is required by the Development Agreement; and (ii) any change in the minimum or maximum AMI percentage levels for the affordable housing pricing or income eligibility. The Parties acknowledge and agree that MOHCD will monitor and enforce the requirements applicable to BMR Units under this Housing Plan in accordance with Planning Code Section 415.9, except that all references to Section 415 will be deemed to refer to the requirements under this Housing Plan. To the extent there are implementation issues that have

not been addressed in this Housing Plan, then the provisions of Section 415 and the MOHCD Manual shall govern and control such issues.

3. **Fees.** Before obtaining a First Construction Document for the two hundred seventieth (270th) Market Rate Unit, the Parties shall select a mutually-agreeable third-party escrow (the “**Escrow Account**”) to hold and disburse the Gap Fees under the requirements of this Housing Plan. Subject to the last paragraph of this Section, starting with the 270th Market Rate Unit and each Market Rate Unit thereafter until the earliest to occur of the date on which (i) DBI issues a CofO for the Walnut Affordable Housing Building; or (ii) the Walnut Construction Closing has occurred and the funds in the Escrow Account are disbursed, or are available to be disbursed, to the Affordable Housing Developer, Developer or to City, as applicable (the “**Gap Fee End Date**”), the Developer shall deposit an amount equal to the Gap Fee for each of those Market Rate Units into the Escrow Account at the time the in-lieu affordable housing fee would otherwise be payable under the Planning Code and the Building Code for those Market Rate Units. Developer shall remain obligated to fund any remaining gap in the cost of constructing the Walnut Affordable Housing Building, including any amounts in excess of the amounts provided under the foregoing clause (ii), as such gap-funding obligation is more specifically set forth in this Housing Plan.

If Developer determines that the 270 Market Rate Unit threshold set forth in the preceding paragraph needs to be increased as a result of a Final Building Design, then Developer may request an increase. The Planning Director, or the Planning Director’s designee, shall have the right to approve an increase of up to five percent (5%) of the number of Market Rate Units above the 270 Market Rate Unit threshold and such approval shall be handled administratively. Thereafter, references to 270 Market Rate Units in this Housing Plan shall mean references to the increased number of Market Rate Units. Any increase of more than five (5%) percent shall constitute a Material Change.

At any time within thirty (30) days after Developer’s written request (accompanied by reasonable supporting materials), City shall authorize the release of funds from the Escrow Account to reimburse Developer for reasonable and customary Walnut Affordable Housing Building pre-development costs incurred prior to the Walnut Construction Closing, such as, but not limited to, design drawings, schematic drawings, and commercially reasonable costs for financing that expedites the construction of the Walnut Affordable Housing Building. If the Walnut Construction Closing occurs, all remaining funds in the Escrow Account needed to finance the construction of the Walnut Affordable Housing Building shall be disbursed to pay construction and development costs that are approved by the Walnut Affordable Housing Building construction lender at the time such costs are due and payable. If the Developer provides reasonable documentation to City that there are excess Escrow Account funds that are not required to finance the construction of the Walnut Affordable Housing Building, such excess Escrow Account funds shall be disbursed to the Developer.

If the Walnut Construction Closing does not occur by the Outside Date, subject to extension for any applicable Excusable Delay, then City shall have the right to receive the Escrow Account funds by delivering written notice to the Escrow Account holder any time after the Outside Date for deposit in City’s Citywide Affordable Housing Fund established in San Francisco Administrative Code Section 10.100-49. Within three (3) business days of receiving

such written notice, the Escrow Account holder shall deliver the funds to the address specified by the MOHCD Director or the MOHCD Director's designee.

4. Transfer of Walnut Land to City.

A. Transfer Notice. If (a) the Walnut Construction Closing does not occur by the Outside Date, subject to extension for any applicable Excusable Delay, and (b) construction of any Building occurs during the Term pursuant to the Approvals, then City shall have the right to acquire, and Developer agrees to transfer to the City, fee ownership of the Walnut Land pursuant to the form of grant deed (the "**Grant Deed**") attached as Exhibit D-3, with the Approved Legal Description attached to it as Exhibit A. City shall have the right to exercise its right to acquire the Walnut Land by giving Developer, between the Outside Date and the last day of the Term, written notice of the City's request to acquire the Walnut Land pursuant to this Section (the "**Transfer Notice**"). If City receives the Walnut Land pursuant to this Section, and Developer later obtains all financing needed to commence and complete construction of retail improvements on the Walnut Retail Parcel, child care improvements on the Walnut Child Care Parcel and garage on the Walnut Garage Parcel prior to City's receipt of a First Construction Document for the Walnut Affordable Housing Building, City shall transfer fee ownership of the Walnut Garage Parcel, the Walnut Retail Parcel, and the Walnut Child Care Parcel to Developer within ten (10) business days of Developer's receipt of a First Construction Document for such improvements.

If, before City delivers the Transfer Notice to Developer, (i) DBI has issued a CofO for the garage on the Walnut Garage Parcel, (ii) Developer has completed construction of the structural portions of the childcare facility on the Walnut Child Care Parcel and the Walnut retail space on the Walnut Retail Parcel, and (iii) DBI has either (a) issued a CofO for the base building improvements constituting the childcare facility and retail space (excluding any tenant improvements in such child care or retail space) that allows for the construction of the Walnut Affordable Housing Building, and the issuance of a CofO for the Walnut Affordable Housing Building would not be precluded by the absence of such tenant improvements, or (b) approved a report, prepared by a licensed structural engineer at Developer's cost and submitted by Developer to City, that determines the Walnut Affordable Housing Building could be constructed and operated on top of those structural improvements, then the City agrees that all references to the Walnut Land being conveyed to City shall mean the Walnut Housing Parcel. If Developer has only Commenced Construction of those improvements at the time that City delivers the Transfer Notice to Developer, then the MOHCD Director or the MOHCD Director's designee shall have the right, in his, her, or their sole discretion, to only require the conveyance of the Walnut Housing Parcel to City as long as Developer provides a completion guaranty for the those improvements in a form approved by the MOHCD Director in consultation with the City Attorney's Office.

B. Developer's Representations. Developer represents that it has the full right to make the commitments set forth in this Section without the consent or approval of any third party (or, if required, Developer has obtained all necessary consents and approvals).

C. Subordination: Condition of Title. The rights of any Mortgagee secured by a Mortgage that encumbers all or part of the Walnut Land shall be subordinate to the City's rights

under this Housing Plan. The City accepts the condition of the Walnut Land's title subject only to the matters described on the attached Exhibit D-4, any additional matter that is approved in writing by the MOHCD Director (or the MOHCD Director's designee) in his, her or their sole and absolute discretion, and any Property Covenant that complies with the requirements of Section 2.A above. Developer further agrees to deliver the Walnut Land to the City generally in the condition that it is in on the Effective Date, provided it shall be free of all tenants and occupants. The Developer agrees that all contracts entered into by the Developer relating to the Walnut Land shall be terminated by Developer, at no cost to City, on or before the transfer unless the City agrees to assume the same.

D. Cooperation. The Developer agrees to cooperate with City and to take all such actions as may be needed to promptly transfer the Walnut Land to City as set forth in this Section. To secure the Developer's obligations under this Section, before the earlier of transferring the Walnut Land or the Walnut Housing Parcel to the Housing Entity and the first Construction Document for the two hundred seventieth (270th) Market Rate Unit, the Developer shall deliver a duly executed and acknowledged deed of trust to the City in substantially the form attached as Exhibit D-5, with the Approved Legal Description attached to it as Exhibit A ("**Deed of Trust**"). City shall have the right to record the Deed of Trust in the Official Records of San Francisco County. There will be no conditions or City obligations relative to the Developer's transfer of the Walnut Land to City, and the form of any other transfer documents other than the Grant Deed needed to transfer fee ownership of the Walnut Land to City in the manner contemplated in this Section (collectively, the "**Transfer Documents**") will be subject to the reasonable approval of the Director of Property and the MOHCD Director or their respective designees, following consultation with the City Attorney's Office. By approving the Development Agreement, the City's Board of Supervisors authorizes the City's Director of Property and the MOHCD Director (and their respective designees) to enter into the Transfer Documents, if any, without additional action by City's Board of Supervisors as long as the Transfer Documents are consistent with the terms outlined in this Section.

E. Costs and Fees. The Developer shall pay (1) all actual costs incurred by the City relating to the negotiation of Transfer Documents, if any, and all transfer taxes, recording fees, and escrow fees, and (2) the premium for the CLTA Title Policy. The Developer shall further indemnify the City for all costs and losses, including reasonable attorney's fees and costs, resulting from (i) any claim with respect to the Walnut Land relating to the period before the transfer of the Walnut Land to City, (ii) any contest to the Developer's right to transfer the Walnut Land as contemplated by this Section, and (iii) any failure by the Developer to satisfy the requirements of this Section. This indemnification shall survive the transfer of the Walnut Land to City.

F. Closing. The Developer shall have a period of 60 days after Developer's receipt of the Transfer Notice (the "**Closing Period**") to (i) provide to City a CLTA policy of title insurance, insuring City's fee interest in the Walnut Land in an amount equal to the fair market value of the Walnut Land, as reasonably determined by City, with only the exceptions permitted under Section 4.C above (the "**Title Policy**"), and (ii) to execute and deliver the Grant Deed and the Transfer Documents, if any, to City. Within 7 days after the City's receipt of the Title Policy, the duly executed and acknowledged Grant Deed, and, if any, the Transfer Documents, duly

executed and acknowledged as applicable, City shall execute and return one (1) fully executed original of any Transfer Document to the Developer.

G. City's Remedies. If the Developer fails to transfer the Walnut Land to City in accordance with this Section, then City shall have the right to specific performance to compel the transfer of the Walnut Land to City in accordance with this Section or to exercise its rights under the Deed of Trust to foreclose and take title to the Walnut Land. Following any specific performance to transfer the Walnut Land to City or any foreclosure of the Walnut Land by City under the Deed of Trust, Developer's obligations under this Section shall be satisfied; provided if the Developer is not able to transfer the Walnut Land to City in the condition required by this Section (a "**Condition Preventing Transfer**"), then City, as its sole remedy for a Condition Preventing Transfer, shall instead accept an in lieu payment in the amount of Fair Market Value. City's exercise of its remedy for a Condition Preventing Transfer shall be by delivering written notice of such exercise to Developer, with a statement explaining the basis for the determination that the Walnut Land cannot be transferred in accordance with this Section. If City delivers such notice, the Developer shall pay City an in lieu payment in the amount of Fair Market Value made within 60 days following the determination of the Fair Market Value. Any failure by Developer to make such in lieu payment when due shall accrue interest at 10% per annum from the date it is due until paid.

H. Fulfillment of Developer's Obligations. On City's receipt of (i) (a) fee ownership of the Walnut Land through (1) Developer's transfer of title to City, (2) an action for specific performance (3) foreclosure under the Deed of Trust or (b) a payment of an in lieu payment due to a Condition Preventing Transfer, and (ii) the funds deposited in the Escrow Account as required in Section 3 above, City shall have no further rights or remedies under the Development Agreement resulting from the failure to timely Commence Construction or complete construction of the Walnut Affordable Housing Building. If the Developer obtains a First Construction Document for any Market Rate Unit after the Outside Date, nothing in the foregoing sentence shall limit the Developer's obligation to pay the fee calculated under Section 415.5 for such Market Rate Unit.

5. Costa-Hawkins Rental Housing Act

A. Non-Applicability of Costa-Hawkins Act. Chapter 4.3 of the California Government Code directs public agencies to grant concessions and incentives to private developers for the production of housing for lower income households. The Costa-Hawkins Rental Housing Act, California Civil Code Sections 1954.50 et seq. (the "**Costa-Hawkins Act**"), provides for no limitations on the establishment of the initial and all subsequent rental rates for a dwelling unit with a certificate of occupancy issued after February 1, 1995, with exceptions, including an exception for dwelling units constructed pursuant to a contract with a public agency in consideration for a direct financial contribution or any other form of assistance specified in Chapter 4.3 of the California Government Code (Section 1954.52(b)). The Parties agree that the Costa-Hawkins Act does not and in no way shall limit or otherwise affect the restriction of rental charges for the BMR Units. The Development Agreement falls within the express exception to the Costa-Hawkins Act, Section 1954.52(b) because the Development Agreement is a contract with a public entity in consideration for contributions and other forms of assistance specified in Chapter 4.3 (commencing with Section 65919 of Division 1 of Title 7 of the California

Government Code). The City and Developer would not be willing to enter into the Development Agreement without the understanding and agreement that Costa-Hawkins Act provisions set forth in California Civil Code Section 1954.52(a) do not apply to the BMR Units as a result of the exemption set forth in California Civil Code Section 1954.52(b) for the reasons specified above.

B. General Waiver. Developer, on behalf of itself and all of its successors and assigns of all or any portion of the Project Site, agrees not to challenge and expressly waives, now and forever, any and all rights to challenge the requirements of the Development Agreement related to the establishment of the BMR Units under the Costa-Hawkins Act (as the Costa-Hawkins Act may be amended or supplanted from time to time). If and to the extent such general covenants and waivers are not enforceable under Law, the Parties acknowledge and that they are important elements of the consideration for the Development Agreement and the Parties should not have the benefits of the Development Agreement without the burdens of the Development Agreement. Accordingly, if Developer challenges the application of this covenant and waiver, then such breach will be an Event of Default and City shall have the right to terminate the Development Agreement in its entirety.

C. Notification. Developer shall notify any potential buyer of all or part of the Project Site of the provisions of this Housing Plan. By acquiring any interest in the Project Site, a buyer agrees to these provisions, and agrees to the specific waiver, releases and indemnifications set forth herein. If Developer fails to notify a buyer of these provisions and a buyer alleges that it is not subject to the requirements of this Housing Plan because it was not made aware of these provisions before it acquired an interest in the Project Site, the Developer shall indemnify and defend the City against any and all claims or losses resulting from such allegation.

6. Nondiscrimination Based on Section 8, Household Size, or Source of Income

For all housing units within the Project Site, Developer shall accept as tenants, on the same basis as all other prospective tenants, persons who are recipients of federal certificates or vouchers for rent subsidies pursuant to the existing program under Section 8 of the Housing Act (42 U.S.C. §1437 et. seq.), or any successor program or similar federal, state or local governmental assistance program. Developer shall not apply selection criteria to Section 8 certificate or voucher holders that are more burdensome than criteria applied to all other prospective tenants. Developer shall not collect security deposits or other deposits from Section 8 certificate or voucher holders in excess of that allowed under the Section 8 program. Developer shall not discriminate against tenant applicants on the basis of legal source of income (e.g., TANF, Section 8 or SSI), and Developer shall consider a prospective tenant's previous rent history of at least one year as evidence of the ability to pay the applicable rent (i.e., ability to pay shall be demonstrated if such a tenant can show that the same percentage or more of the tenant's income has been consistently paid on time for rent in the past as will be required to be paid for the rent applicable to the unit to be occupied, provided that such tenant's expenses have not increased materially).

Exhibit D-1

Depiction of Walnut Land

Lot 3 as shown on Sheets C4.3 through C4.5 of the 3333 California Tentative Final Parcel Map 9956, Proposed Lot Plan, prepared by BKF, dated 03/25/2019, Job No. 20147087-12

Exhibit D-2

Appraisal Process

1. Arbitration for Fair Market Value.

1.1 Appointment. Each Party shall appoint one (1) Appraiser (as defined below) within thirty (30) days after City delivers written notice to Developer that the arbitration provisions of this Exhibit have been invoked (the "Initial Selection Period"). Upon selecting its Appraiser, a Party shall promptly notify the other Party in writing of the name of that Appraiser. Each Appraiser selected by a Party under this Section shall be an "Initial Appraiser".

An "Appraiser" shall mean a competent and licensed appraiser who is qualified by training and experience in the City and County of San Francisco and a member in good standing of the Appraisal Institute and designated as a MAI, or, if the Appraisal Institute no longer exists, shall hold the senior professional designation awarded by the most prominent organization of appraisal professionals then awarding such professional designations. An Appraiser may have a prior working relationship with either or both of the Parties, provided that such working relationship shall be disclosed to both Parties. Without limiting the foregoing, an Appraiser shall have at least ten (10) years' experience valuing multi-family residential real estate that is in the City and County of San Francisco and substantially similar product-type to the Walnut Affordable Housing Building (i.e., affordable senior housing and condominium airspace interests or similar property interests such as ground leases) required for the Walnut Affordable Housing Building. If a Party fails to appoint its Appraiser within the Initial Selection Period, the Initial Appraiser appointed by the other Party shall individually determine the Fair Market Value in accordance with the provisions hereof.

1.2 Instruction and Completion. The term "Fair Market Value" shall mean the then current fair market value of the Walnut Land, as determined pursuant to this Exhibit. Each Initial Appraiser will make an independent determination of the Fair Market Value. The following instructions shall govern the preparation and delivery of each appraisal report giving the respective Initial Appraiser's opinion of the Fair Market Value. The Parties may supplement or modify these instructions upon mutual agreement. Each final opinion of value will be stated in a self-contained¹ appraisal report based on a comprehensive study and analysis and setting forth, in detail, all data, analysis, and conclusions necessary and typical of a complete, self-contained appraisal report in compliance with the current version of the Uniform Standards of Professional Appraisal Practice ("USPAP"). The appraisal report will include the Initial Appraiser's final opinion of the Fair Market Value stated as a specific dollar figure. The Walnut Land shall be appraised based on the actual residential project that it is entitled for at the time of Appraisal consistent with the zoning and all conditions on the Walnut Land and assuming that the following apply to the Walnut Land: (i) the Approvals (as such term is defined in the

¹ As of 2014, USPAP replaced the terminology of "Restricted Use, Summary and Self Contained", and replaced the report content types with two types, "Appraisal Report" and "Restricted Appraisal Report." The reference to "Self Contained" in V, Appraisal Standards, refers to the meaning it had prior to 2014. Also, the reference to "Complete" appraisal has the meaning that it did prior this term being removed officially from USPAP, i.e. essentially that no relevant and applicable valuation approaches or methodologies may be excluded (and the rationale for any approach excluded be provided).

Development Agreement), including, without limitation, the applicable conditions of approval and any notices of special restrictions, (ii) the Development Agreement (subject to the eventual expiration thereof), (iii) permitted exceptions to title, (iv) the final subdivision map, (v) covenants, conditions and restrictions, reciprocal easement agreements and similar agreements regarding operation and use of condominium airspace parcels on the Walnut Land, regardless of whether such agreements are then in effect, it being agreed that the Walnut Land will be subject to such agreements in a commercially reasonable form, (v) applicable zoning, (vi) applicable development impact fees, (vii) its then-current "as-is", "where-is" condition, provided the only exceptions to title will be those described in Section 4.C of Exhibit D to the Development Agreement, and (viii) such other documents and restrictions that the Parties mutually agree to present to the Initial Appraisers (or the Initial Appraiser if there is only one) during the appraisal process. The Fair Market Value will be determined as if the Walnut Land were served by streets and utilities but otherwise vacant and unimproved by any structures, buildings, improvements, fixtures, additions, alterations, and betterments of whatsoever nature or description. For clarity, it is understood that the Walnut Land valuation shall take into consideration the actual costs and expenses necessary for the improvements to specifically serve the Walnut Land. Each Initial Appraiser will use sales comparisons to estimate value, presented in individual write-up sheets. Each Initial Appraiser shall adhere to USPAP direction pertaining to comparable sales requiring extraordinary verification and weighting considerations. If there is more than one Initial Appraiser, the Initial Appraisers may share and have access to objective information in preparing their appraisals, but they will independently analyze the information in their determination of the Fair Market Value, and neither of the Initial Appraisers shall have access to the appraisal of the other (except for the sharing of objective information contained in such appraisals) until both of the appraisals are submitted in accordance with the provisions of this Section. Neither Party shall communicate with the Initial Appraiser selected by the other Party regarding the instructions contained in this Section before the Initial Appraisers complete their appraisals. If an Initial Appraiser has questions regarding the instructions in this Section, such Initial Appraiser shall use his or her own professional judgment and shall make clear all assumptions upon which his or her professional conclusions are based, including any supplemental instructions or interpretative guidance received from the Party appointing such Initial Appraiser. There shall not be any arbitration or adjudication of the instructions to the Initial Appraisers contained in this Section. Each Initial Appraiser shall complete, sign and submit its written appraisal setting forth the Fair Market Value to the Parties within sixty (60) days after the appointment of the last of the Initial Appraisers (or if only one Initial Appraiser is selected, within sixty (60) days after the expiration of the Initial Selection Period).

If only one Initial Appraiser is selected during the Initial Selection Period, then the Fair Market Value shall be the figure in such Initial Appraiser's appraisal. If two Initial Appraisers are selected during the Initial Selection Period, and the higher appraised Fair Market Value is not more than one hundred ten percent (110%) of the lower appraised Fair Market Value, then the Fair Market Value shall be the average of such two (2) Fair Market Value figures.

1.3 Potential Third Appraiser. If two Initial Appraisers are selected during the Initial Selection Period, and the higher appraised Fair Market Value is more than one hundred ten percent (110%) of the lower appraised Fair Market Value, then the Initial Appraisers shall agree upon and appoint an independent third Appraiser meeting the requirements for an Appraiser

specified in Section 1.2 within thirty (30) days after the appraisals of both of the Initial Appraisers have been submitted to the Parties in accordance with the following procedure. The Initial Appraisers shall inform the Parties of their appointment of the proposed third Appraiser at or before the end of such thirty (30)-day appointment period. Each Party shall have the opportunity to question the proposed third Appraiser, in writing only, as to his or her qualifications, experience, past working relationships with the Parties, and any other matters relevant to the appraisal. Either Party may, by written notice (given within three (3) business days after receiving notice of the selection of the third proposed Appraiser) to the other Party and the Initial Appraisers, raise a good faith objection to the selection of the third proposed Appraiser based on his or her failure to meet the requirements for an Appraiser specified in Section 1.2. In such event, if the Initial Appraisers determine that the objection was made in good faith, the Initial Appraisers shall promptly select another third proposed Appraiser, subject again to the same process for the raising of objections. If neither Party raises a good faith objection to the appointment of the third proposed Appraiser within three (3) business days after receiving notice of his or her appointment, each such Party shall be deemed to have waived any issues or questions relating to the qualifications or independence of the third Appraiser or any other matter relating to the selection of the third Appraiser under this Exhibit. If for any reason the Initial Appraisers do not appoint a third proposed Appraiser within such thirty (30)-day appointment period (or within a ten (10) business days thereafter), then either Party may apply to the Writs and Receivers Department of the Superior Court of the State of California in and for the County of San Francisco for appointment of a third Appraiser meeting the requirements for an Appraiser specified in Section 1.2. If the Court denies or otherwise refuses to act upon such application within sixty (60) days from the date on which the Party first applies to the Court for appointment of the third Appraiser, either Party may apply to the American Arbitration Association, or any similar provider of professional commercial arbitration services, for appointment in accordance with the rules and procedures of such organization of an independent third Appraiser meeting the foregoing qualifications. An Appraiser appointed pursuant to this Section shall be the "Third Appraiser".

1.4 **Baseball Appraisal.** The Third Appraiser, if any, shall consider the appraisals submitted by the Initial Appraisers, as well as any other relevant written evidence the Third Appraiser may request of either or both of the Initial Appraisers. If either of the Initial Appraisers submits any such evidence to the Third Appraiser, it shall do so only at the request of the Third Appraiser and shall deliver a complete and accurate copy to the other Party and the Initial Appraiser such Party selected, at the same time it submits the same to the Third Appraiser. Neither Party, nor the Initial Appraisers they appoint, shall conduct any ex parte communications with the Third Appraiser regarding the subject matter of the appraisal. Within thirty (30) days after his or her appointment, the Third Appraiser shall select the Fair Market Value determined by one or the other of the Initial Appraisers that is the closer, in the opinion of the Third Appraiser, to the actual Fair Market Value. The determination of the Third Appraiser shall be limited solely to the issue of deciding which of the determinations of the two Initial Appraisers is closest to the actual Fair Market Value. The Third Appraiser shall have no right to propose a middle ground or to modify either of the two appraisals or any provision of this Exhibit.

1.5 **Conclusive Determination.** Except as provided in California Code of Civil Procedure Section 1286.2 (as the same may be amended from time to time), the determination of

the Fair Market Value by the accepted appraisal shall be conclusive, final and binding on the Parties. No Appraiser selected or appointed pursuant to this Exhibit shall have any power to modify any of the provisions of this Exhibit and must base his or her decision on the definitions, standards, assumptions, instructions and other provisions contained in this Exhibit. Subject to the provisions of this Section, the Parties will cooperate to provide all appropriate information to each Appraiser selected or appointed under this Exhibit. The Appraisers selected or appointed under the provisions of this Exhibit will each produce their determination in writing, supported by the reasons for the determination.

1.6 Fees and Costs; Waiver. Each Party shall bear the fees, costs and expenses of the Initial Appraiser it selects. The fees, costs and expenses of the Third Appraiser, including the fees, costs and expenses in his or her appointment pursuant to this Exhibit, shall be shared equally by the City and Developer.

Exhibit D-3

Form of Grant Deed

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

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

The undersigned hereby declares this instrument to be
exempt from Recording Fees (CA Govt. Code § 27383)
and Documentary Transfer Tax (CA Rev. & Tax Code
§ 11922 and S.F. Bus. & Tax Reg. Code § 1105)

(Space above this line reserved for Recorder's use only)

GRANT DEED

(Lot No. ____ Block No. ____)

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, LAUREL HEIGHTS PARTNERS, LLC, a Delaware limited liability company ("Grantor"), hereby grants to the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, the real property located in the City and County of San Francisco, State of California, described on Exhibit A attached hereto and made a part hereof (the "Property"), together with any and all rights, privileges and easements incidental or appurtenant to the Property, including, without limitation, any and all minerals, oil, gas and other hydrocarbon substances on and under the Property, as well as any and all development rights, air rights, water, water rights, riparian rights and water stock relating to the Property, and any and all easements, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the land and all of Grantor's right, title and interest in and to any and all roads and alleys exclusively adjoining or servicing the Property, and subject to the exceptions set forth on Exhibit B attached hereto and made a part hereof.

Executed as of this ____ day of _____, 20__.

LAUREL HEIGHTS PARTNERS, LLC
a Delaware limited liability company

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the foregoing Grant Deed to the City and County of San Francisco, a municipal corporation, is hereby accepted pursuant to Board of Supervisors' Ordinance No. Ordinance 276-19 (File No. 190845), approved November 27, 2019, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____

Director of Property

EXHIBIT A

Legal Description of Property

EXHIBIT B

List of Exceptions

1. The lien of real property taxes not yet due or payable at the time City acquires fee title to the Walnut Land
2. The lien of any taxes for Mello Roos Community Facilities District No. 90-1 not yet due or payable at the time City acquires fee title to the Walnut Land
3. Water rights, claims or title to water, whether or not disclosed by the public records
4. The declaration of public access covenants and restrictions attached as Exhibit C-3 to the Development Agreement
5. The notice of special restrictions for a child care facility to be recorded under Exhibit L to the Development Agreement

Exhibit D-4

Accepted Conditions of Title

1. The lien of real property taxes not yet due or payable at the time City acquires fee title to the Walnut Land
2. The lien of any taxes for Mello Roos Community Facilities District No. 90-1 not yet due or payable at the time City acquires fee title to the Walnut Land
3. Water rights, claims or title to water, whether or not disclosed by the public records
4. The declaration of public access covenants and restrictions attached as Exhibit C-3 to the Development Agreement
5. The notice of special restrictions for a child care facility to be recorded under Exhibit L to the Development Agreement

Exhibit D-5
Deed of Trust

RECORDING REQUESTED BY CLERK OF THE
BOARD OF SUPERVISORS OF THE CITY AND
COUNTY OF SAN FRANCISCO AND WHEN
RECORDED MAIL TO:

Office of the City Attorney
City Hall Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Land Use Team

Exempt from Recording Fees (CA Govt. Code §27383) and
Documentary Transfer Tax (CA Rev. & Tax Code §11922
and S.F. Bus. & Tax Reg. Code §1105)

APN: Block ____ Lot ____
Street Address:

DEED OF TRUST

This DEED OF TRUST (this "Deed of Trust") is made as of _____, 2020,
among LAUREL HEIGHTS PARTNERS, LLC, a Delaware limited liability company
("Trustor"), whose address is _____,
_____, ("Trustee"), whose address is
_____, and THE CITY AND COUNTY OF SAN
FRANCISCO, a municipal corporation ("Beneficiary"), whose address is
_____. Trustor irrevocably grants, transfers and assigns to Trustee in
trust, with power of sale, all of Trustor's right, title and interest in and to that certain property
located in the City and County of San Francisco, California, more particularly described in
Exhibit A attached hereto and incorporated by reference herein (the "Land"), including, without
limitation, all improvements located on the Land ("Improvements"), subject, however, to the
termination, re-conveyance and subordination provisions of Section E.6 below. The Land and
the Improvements shall be collectively referred to in this Deed of Trust as the "Property".
Capitalized terms that are used but not defined herein shall have the meanings given such terms
in that certain Development Agreement by and between the City and County of San Francisco
and Laurel Heights Partners, LLC, dated _____, 2020, and recorded in the Official
Records of San Francisco County as Document No. _____ on _____, 20__ (the
"DA").

For the purpose of securing only (1) Trustor's obligation to transfer the Property in
accordance with Section 4 of Exhibit D to the DA (the "Transfer Section") as and when required
under the Transfer Section, and (2) the performance of each agreement of Trustor incorporated
by reference or contained herein or reciting it is so secured (items (1) and (2) above are referred

to herein as the "Secured Obligations"). Other than such transfer obligation under the Transfer Section, no other provision of the DA is secured by this Deed of Trust.

A. To protect and maintain the security of this Deed of Trust, Trustor agrees:

1. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any suit brought by Beneficiary to foreclose this Deed of Trust.

2. To pay all costs, fees and expenses of this Deed of Trust.

3. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, with interest from date of expenditure at the maximum rate allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed that:

1. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his or her right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

2. At any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust, and without affecting the personal liability, if any, of any person for payment of the indebtedness secured hereby, Trustee has the right to reconvey any part of the Property, consent to the making of any map or plat thereof, join in granting any easement thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.

3. Upon written request of Beneficiary stating that all actions required under the Transfer Section have been performed, all sums secured hereby have been paid, and upon surrender of this Deed of Trust to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

C. The occurrence of any of the following events shall constitute an event of default (a "Default") under this Deed of Trust:

1. Trustor (i) transfers its interest in the Property, or any part of thereof, or any interest in the Property, in any manner other than (a) a transfer to the Housing Entity (as defined in the DA), (b) the grant of a deed of trust or mortgage to any Mortgagee (as defined in the DA) that is subordinate to this Deed of Trust and encumbers all or part of Trustor's interest in the Property, (c) leases entered into in the ordinary course, or (d) Property Covenants (as defined in

Section 2.A of Exhibit D of the DA) in accordance with Section 2.A of Exhibit D of the DA or (ii) is divested of its title or any interest in the Property in any manner or way, whether voluntarily or involuntarily, in each case without the Beneficiary's prior written consent (which consent shall not be unreasonably withheld).

2. Trustor's failure to perform any covenant or obligation of Trustor contained herein, as and when performance is due, and the continuance of such failure for a period of thirty (30) days following written notice thereof from Beneficiary to Trustor; provided, however, that if such failure is not reasonably susceptible of cure within such thirty (30) day period, then, so long as Trustor commences to cure such failure within such thirty (30) day period and continually and diligently pursues such cure and completes such cure within a reasonable period, such failure shall not be a Default.

3. Trustor becomes insolvent, makes an assignment for the benefit of creditors, or commences or becomes subject to any proceeding under the federal Bankruptcy Code or any other insolvency, receivership, reorganization, arrangement of debt, liquidation or debtor's relief law wherein the Trustor is the debtor.

4. Trustor fails to transfer the Property in accordance with the Transfer Section, as and when required under the Transfer Section.

D. If any Default occurs, and as long any such Default exists, Beneficiary shall have the right to declare all indebtedness secured hereby to be immediately due and payable, and all such indebtedness shall thereupon become immediately due and payable, without any presentment, demand, protest or notice of any kind, all of which are expressly waived by Trustor, and Beneficiary shall have the following remedies:

1. Beneficiary shall have the right, either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of the security, to enter upon and take possession of the Property, or any part thereof, in its own name or in the name of Trustee, and do any acts which Beneficiary deems necessary or desirable to preserve the value, marketability or rentability of the Property or increase the income therefrom or protect the security hereof, and, with or without taking possession of the Property, to sue for or otherwise collect the rents and profits of the Property, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorneys' fees, upon any indebtedness secured hereby, all in such order as Beneficiary may determine.

2. Beneficiary shall have the right to commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof.

3. Beneficiary shall have the right to deliver to Trustee a written declaration of default and demand for sale pursuant to the power of sale in this Deed of Trust. If Beneficiary elects to foreclose this Deed of Trust by exercise of the power of sale in this Deed of Trust, Beneficiary shall notify Trustee and shall deposit with Trustee such written notice of default and election to sell and such receipts or evidence of expenditures made and secured hereby as Trustee may require. After the lapse of such time as may then be required by law following the

recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place fixed by Trustee in said notice of sale, as a whole, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee shall have the right to postpone sale of all or any portion of the Property by public announcement at such time and place of sale, and from time to time thereafter shall have the right to postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary, may purchase at such sale.

4. After deducting all costs, fees and expenses of Trustee and of the trust created under this Deed of Trust ("Trust"), including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

5. Every right, power and remedy granted to Trustee or Beneficiary in this Deed of Trust shall be cumulative and not exclusive, and in addition to all rights, powers and remedies granted at law or in equity or by statute, and each such right, power and remedy may be exercised from time to time and as often and in such order as may be deemed expedient by Trustee or Beneficiary, and the exercise of any such right, power or remedy shall not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power or remedy.

6. Trustor hereby requests that a copy of any notice of default and of any notice of sale under this Deed of Trust be mailed to Trustor at the address of Trustor set forth in this Deed of Trust as required by applicable law.

E. It is further mutually agreed that:

1. Beneficiary, or any successor in its rights under the Transfer Section or ownership of any indebtedness secured hereby, has the right to, from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where the Property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded and the name and address of the new Trustee.

2. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine or the neuter, and the singular number includes the plural.

3. The Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

4. A copy of any notice of default and any notice of sale hereunder shall be mailed to Trustor at his address hereinbefore set forth.

5. Trustor shall have no personal liability under this Deed of Trust, and Beneficiary's only recourse against Trustor for the satisfaction of the Secured Obligations shall be Beneficiary's exercise of its rights and remedies with respect to the Property.

6. Immediately prior to the earlier to occur of (i) the Tax Credit Closing (as defined in Exhibit D to the DA) or (ii) the payment of the amounts under subsection G of the Transfer Section following City's election to take such payment, this Deed of Trust automatically shall become null and void without the need for further action by Trustor, Trustee or Beneficiary, and Beneficiary shall cause to be recorded, in the Official Records of the City and County of San Francisco, with respect to the Property a standard form of re-conveyance of deed of trust with respect to this Deed of Trust.

7. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California.

[Remainder of Page Intentionally Blank. Signature on Following Page.]

IN WITNESS WHEREOF, the undersigned has caused this Deed of Trust to be executed and delivered under seal as of the day and year first above written.

LAUREL HEIGHTS PARTNERS, LLC, a
Delaware limited liability company

By: _____

Name: _____

Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Francisco)

On _____, 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) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Exhibit A

Legal Description of Land

Exhibit E

List of Approvals

Final approval actions by the City and County of San Francisco Board of Supervisors

1. Ordinance 276-19 (File No. 190845): (1) Approving a Development Agreement between the City and County of San Francisco and Laurel Heights Partners LLC; (2) waiving or modifying certain provisions of the Administrative Code and Planning Code, and approving specific development impact fees; and (3) adopting findings under the California Environmental Quality Act and findings of consistency with the General Plan and Planning Code priority policies.
2. Ordinance 275-19 (File No. 190844): Amending the Planning Code, the Zoning Map, and the Height Map to add the 3333 California Project Special Use District and adopting findings under the California Environmental Quality Act and findings of consistency with the General Plan and Planning Code priority policies.
3. Ordinance 278-19 (File No. 190947): Approving Major Encroachment Permit to Laurel Heights Partners LLC for improvements on Presidio Avenue, Masonic Avenue, and Pine Street; Euclid Avenue and Masonic Avenue; and Mayfair Drive and Laurel Street adjacent to 3333 California Street.
4. Ordinance 271-24 (File No. 240797): Approving the Second Amendment to Development Agreement between the City and Laurel Heights Partners LLC.

Final and Related Approval Actions of City and County of San Francisco Planning Commission (referenced by Motion Number "M No." or Resolution Number "R No.")

1. M No. 20512: Certifying the Final Environmental Impact Report for the 3333 California Mixed-Use District Project.
2. M No. 20513: Adopting Findings and Statement of Overriding Considerations under the California Environmental Quality Act.
3. M No. 20516: Approving a Conditional Use Authorization/Planned Unit Development for the 3333 California Project.
4. R No. 20514: Recommending to the Board of Supervisors approval of amendments to the Planning Code to establish the 3333 California Project Special Use District and approval of amendments to Sectional Maps SU03 to refer to the 3333 California Project Special Use District and HT03 of the Zoning Map.
5. R No. 20515: Recommending to the Board of Supervisors approval of a Development Agreement between the City and Laurel Heights Partners LLC.
6. R No. 21628 Recommending to the Board of Supervisors approval of the Second Amendment to Development Agreement between the City and Laurel Heights Partners LLC.

Final and Related Approval Actions of City and County of San Francisco Municipal Transportation Agency Board of Directors

1. Resolution Number 191001-125 consenting to a Development Agreement between the City and Laurel Heights Partners LLC, including the Transportation Exhibit.

Final and Related Approval Actions of City and County of San Francisco Public Utilities Commission

1. Resolution Number 19-0226 consenting to the AWSS Schedule in the Development Agreement between the City and Laurel Heights Partners LLC.

Final and Related Approval Actions by San Francisco Public Works

1. Approval of Tentative Map

Exhibit O

Financing Plan

This FINANCING PLAN (this "**Financing Plan**") implements and is part of the 3333 California Street Development Agreement (as defined herein) to which this Financing Plan is attached and of which it is made a part. Capitalized terms used but not otherwise defined in this Financing Plan shall have meanings given to them in the 3333 California Street Development Agreement.

The City approved the 3333 California Street Development Agreement of which this Financing Plan is a part pursuant to Ordinance No. 276-19, adopted by the Board of Supervisors on November 19, 2019, which was signed by the Mayor on November 27, 2019, and Ordinance No. 271-24, adopted by the Board of Supervisors on November 19, 2024, which was signed by the Mayor on November 25, 2024.

Notwithstanding anything in the 3333 California Street Development Agreement to the contrary, and except as provided in this Financing Plan, the rights and obligations of the 3333 California Street Developer with respect to the CFD and the EIFD (as set forth in part in this Financing Plan) shall not be deemed assigned to a Transferee through the Assignment and Assumption Agreement. After an Assignment and Assumption Agreement is executed by a Transferee, all rights and obligations of the 3333 California Street Developer with respect to the CFD and the EIFD (as set forth in part in this Financing Plan) shall remain those of the 3333 California Street Developer unless all or some portion of such rights and obligations are specifically assigned to the Transferee through a Public Financing Assignment and then only to the extent of such specific assignments set forth in the Public Financing Assignment.

This Financing Plan also describes the relationship of the 3333 California Street Project and the EIFD to the 3700 California Street Project, including the EIFD Acquisition Agreement.

1. OVERVIEW

1.1 CFD Financing Plan Purposes

(a) Purpose of Financing Plan for CFD. The purpose of this Financing Plan is to establish the contractual framework for mutual cooperation between the City and 3333 California Street Developer necessary to implement the 3333 California Street Project. Except as otherwise agreed to by 3333 California Street Developer and City, the City shall take all actions reasonably necessary, subject to Board of Supervisors' approval, and 3333 California Street Developer shall cooperate reasonably, to do all of the following related to and in furtherance of the development and operation of the 3333 California Street Project and all as more particularly described herein: (i) establish the Services CFD to finance Contingent Service Costs, approve each RMA with a Contingent Services Special Tax, and upon the Trigger Event, levy Contingent Services

Special Taxes within the Services CFD; and (ii) if the 3333 California Street Developer determines, in its discretion, to form a Facilities CFD to finance Qualified Project Costs, establish the Facilities CFD (which may be combined with the Services CFD to finance Contingent Service Costs), approve each RMA with a Facilities Special Tax, levy Facilities Special Taxes, execute the CFD Acquisition Agreement, apply Remainder Taxes, and issue CFD Bonds.

(b) Structure of Services CFD. The Services CFD shall be formed over the entirety of the 3333 California Street Project Site prior to issuance of a Final Map for the 3333 California Street Project. The 3333 California Street Developer shall initiate formation of the Services CFD by submitting to the Board of Supervisors an executed Petition that conforms with California Government Code Section 53319. The City and the 3333 California Street Developer agree that, subject to the Board of Supervisors' approval, the formation of the Services CFD shall be completed as a result of the recordation in the real property records of the City of a notice of special tax lien pursuant to Government Code Section 53328.3 prior to or concurrently with formation of the Facilities CFD.

(c) Structure of Facilities CFD. This Financing Plan is designed to provide flexibility to the 3333 California Street Developer to determine whether to form the Facilities CFD and, if so, to tailor the Facilities CFD to the phasing, build-out, and marketing of the 3333 California Street Project Site, including the option to employ an Offset (as defined in Section 2.6(n)). Accordingly, if requested, 3333 California Street Developer shall have the flexibility to request that (i) the Facilities CFD be formed initially over the entirety of the 3333 California Street Project Site, or (ii) the Facilities CFD be formed initially over one or more phases of the 3333 California Street Project Site in an Improvement Area, with the remainder of the 3333 California Street Project Site (and, in either case, possibly including other property outside the 3333 California Street Project Site, but not including the 3700 California Street Project Site) being identified as Future Annexation Area. If 3333 California Street Developer requests an initial Improvement Area with Future Annexation Area, 3333 California Street Developer may also request the further flexibility to annex the property identified as the Future Annexation Area into the initial Improvement Area or into a newly-created Improvement Area. The Future Annexation Area property shall be annexed from time to time upon the submission of a unanimous written approval to the City of the property owner of the property to be annexed pursuant to the CFD Act according to the procedures established by the Board of Supervisors in the Facilities CFD formation proceedings.

1.2 EIFD Financing Plan Purposes

(a) Purpose of Financing Plan for EIFD. As stated above, the purpose of this Financing Plan is to establish the contractual framework for mutual cooperation between the City and 3333 California Street Developer necessary to implement the 3333 California Street Project by financing public improvements and other projects of community-wide significance associated with the 3333 California Street Project and the 3700 California Street Project. Accordingly, the City shall take all actions reasonably necessary, and 3333 California Street Developer shall cooperate reasonably, to do all

of the following, all related to and in furtherance of the development and operation of the 3333 California Street Project and all as more particularly described herein: (i) request the Public Financing Authority to form, and cooperate with the Public Financing Authority in connection with the formation of, the EIFD; (ii) if the fiscal impact analysis of the 3333 California Street Project, the 3700 California Street Project and the EIFD in the IFP demonstrates that the City's General Fund will receive a net fiscal benefit from the 3333 California Street Project Site and the 3700 California Street Project Site after formation of the EIFD, approve the IFP, and request the Public Financing Authority to approve the IFP, that contains, among other requirements, the provisions described herein; (iii) if the fiscal impact analysis of the 3333 California Street Project, the 3700 California Street Project and the EIFD in the IFP demonstrates that the City's General Fund will not receive a net fiscal benefit from the 3333 California Street Project Site and the 3700 California Street Project Site after formation of the EIFD but would receive a net benefit if the 3700 California Street Project Site was removed from the EIFD, take steps to remove the 3700 California Street Project Site from the EIFD and approve the IFP, and request the Public Financing Authority to approve the IFP, that contains, among other requirements, the provisions described herein; (iv) cooperate with the 3333 California Street Developer, the 3700 California Street Developer and the EIFD to execute the EIFD Acquisition Agreement; (v) allocate the Allocated Tax Revenue and conditionally allocate the Conditional Tax Revenue to the EIFD; and (vi) request the Public Financing Authority to issue EIFD Bonds and utilize the proceeds of the EIFD Bonds to acquire and/or reimburse the 3333 California Street Developer and the 3700 California Street Developer for Qualified EIFD Improvements. In the event that the 3700 California Street Project Site is removed from the EIFD as described above, all references in this Financing Plan to the 3700 California Street Project being part of the EIFD shall have no further force or effect.

(b) Structure of EIFD. In connection with the formation of the EIFD, the City and the 3333 California Street Developer agree to discuss the phasing and marketing of the Projects and the creation of Project Areas. The 3333 California Street Developer and the 3700 California Street Developer have informed the City that they wish to establish Project Areas that, with limited exceptions, are anticipated to conform to the expected phasing of the Projects. The City has informed the 3333 California Street Developer and the 3700 California Street Developer that the City wishes to minimize the administrative complexity associated with Project Areas. The City and the 3333 California Street Developer agree that the EIFD shall include six project areas to align with the anticipated phases of the Projects unless the City and the 3333 California Street Developer agree on fewer than six project areas.

1.3 Deposit and Reimbursement Agreement. Concurrently with formation of the EIFD, the City and the 3333 California Street Developer will execute a deposit and reimbursement agreement pursuant to which the 3333 California Street Developer will agree, from time to time, to provide the City with a deposit sufficient to pay the costs incurred by the City in connection with formation of the Services CFD, the Facilities CFD (if the 3333 California Street Developer elects to form the Facilities CFD), and the EIFD.

1.4 Financing Temporarily Excused – EIFD Bonds.

(a) As a general matter, there shall be no cross-defaulting between the 3333 California Street Project and the 3700 California Street Project, and the default by one project that could temporarily excuse the issuance of EIFD Bonds that are sized based on Allocated Revenue from the defaulting project shall not prevent the issuance of EIFD Bonds sized based on Allocated Revenue from the non-defaulting project, as set forth below.

(b) The City and the EIFD will be authorized to temporarily suspend the issuance of any EIFD Bonds sized based on Allocated Tax Revenue generated from the 3333 California Street Project Site during the time in which:

(i) 3333 California Street Developer is in default in the payment of any ad valorem tax levied on any Taxable Parcel it then owns in the 3333 California Street Project Site;

(ii) 3333 California Street Developer is in Default under the 3333 California Street Development Agreement;

(iii) 3333 California Street Developer fails to cooperate reasonably with the EIFD or the City as necessary to implement the issuance of EIFD Bonds consistent with this Financing Plan; or

(iv) in the judgment of the City or the EIFD, after consultation with 3333 California Street Developer, and based upon the purposes of the Financing Plan and advice of EIFD or City staff and consultants, market conditions or conditions affecting the property in the 3333 California Street Project Site (such as tax delinquencies, assessment appeals, damage or destruction of improvements, litigation or proceedings, inquiries or investigations, at law or in equity, or by or before any court, governmental agency, public board or body) make it fiscally imprudent or infeasible to incur the requested indebtedness sized based on Allocated Revenue from the 3333 California Street Project at the time.

(c) The City and the EIFD will be authorized to temporarily suspend the issuance of any EIFD Bonds sized based on the Allocated Tax Revenue generated from the 3700 California Street Project Site during the time in which:

(i) 3700 California Street Developer is in default in the payment of any ad valorem tax levied on any Taxable Parcel it then owns in the 3700 California Street Project Site;

(ii) 3700 California Street Developer fails to cooperate reasonably with the EIFD or the City as necessary to implement the issuance of EIFD Bonds consistent with this Financing Plan; or

(iii) in the judgment of the City or the EIFD, after consultation with 3700 California Street Developer, and based upon the purposes of the Financing Plan

and advice of EIFD or City staff and consultants, market conditions or conditions affecting the property in the 3700 California Street Project Site (such as tax delinquencies, assessment appeals, damage or destruction of improvements, litigation or proceedings, inquiries or investigations, at law or in equity, or by or before any court, governmental agency, public board or body) make it fiscally imprudent or infeasible to incur the requested indebtedness sized based on the Allocated Tax Revenue from the 3700 California Street Project at the time.

(d) For both the 3333 California Street Project and the 3700 California Street Project, the City and the EIFD will be authorized to temporarily suspend the issuance of any EIFD Bonds during the time in which:

(i) there is an action, suit, proceeding, inquiry or investigation, at law or in equity, or by or before any court, governmental agency, public board or body, pending or threatened against the EIFD: (i) wherein an unfavorable decision, ruling or finding would adversely affect the existence of the EIFD or the title of any official of the EIFD to such person's office; (ii) seeking to restrain or enjoin the issuance, sale or delivery of the EIFD Bonds, or the assignment by the EIFD of its rights under the Indenture; (iii) in any way contesting or affecting the validity or enforceability of the applicable Indenture or the EIFD Bonds; (iv) contesting in any way the completeness or accuracy of the Official Statement relating to the EIFD Bonds; or (v) contesting the power of the City or EIFD or its authority with respect to the EIFD Bonds or the applicable Indenture, or there is any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Indenture or the authorization, execution, delivery or performance by the EIFD of the EIFD Bonds or the Indenture; or

(ii) the underwriter for any issue of EIFD Bonds exercises any right to cancel its obligation to purchase the EIFD Bonds during the occurrence and continuation of events specified in its bond purchase agreement ("**Underwriter Force Majeure**").

1.5 Financing Temporarily Excused – CFD Bonds. City will be authorized to temporarily suspend the issuance of any CFD Bonds during the time in which:

(a) 3333 California Street Developer is in default in the payment of any Project Special Taxes levied on any Taxable Parcel it then owns in the Facilities CFD;

(b) 3333 California Street Developer is in Default under the 3333 California Street Development Agreement;

(c) 3333 California Street Developer fails to cooperate reasonably with the City as necessary to implement the issuance of CFD Bonds consistent with this Financing Plan;

(d) in the judgment of the City, after consultation with 3333 California Street Developer, and based upon the purposes of the Financing Plan and advice of City staff and consultants, market conditions or conditions affecting the property in the

Facilities CFD (such as tax delinquencies, assessment appeals, damage or destruction of improvements, litigation or proceedings, inquiries or investigations, at law or in equity, or by or before any court, governmental agency, public board or body) make it fiscally imprudent or infeasible to incur the requested indebtedness at the time;

(e) there is an action, suit, proceeding, inquiry or investigation, at law or in equity, or by or before any court, governmental agency, public board or body, pending or threatened against the Facilities CFD: (i) wherein an unfavorable decision, ruling or finding would adversely affect the existence of the Facilities CFD or the title of any official of the Facilities CFD to such person's office; (ii) seeking to restrain or enjoin the issuance, sale or delivery of the CFD Bonds, or the assignment by the Facilities CFD of its rights under the Indenture; (iii) in any way contesting or affecting the validity or enforceability of the applicable Indenture or the CFD Bonds; (iv) contesting in any way the completeness or accuracy of the Official Statement; or (v) contesting the power of the District or its authority with respect to the CFD Bonds or the applicable Indenture, or there is any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the Indenture or the authorization, execution, delivery or performance by the Facilities CFD of the CFD Bonds or the Indenture; or

(f) the underwriter for any issue of CFD Bonds exercises any right to cancel its obligation to purchase the CFD Bonds during the occurrence and continuation of Underwriter Force Majeure event.

2. COMMUNITY FACILITIES DISTRICT FINANCING

2.1 Formation of CFD

(a) Formation of Services CFD. Except as otherwise specifically agreed to in writing by 3333 California Street Developer and City, and within the time frame described in Section 1.1(b), the 3333 California Street Developer shall submit a Petition to City under the CFD Act for formation of the Services CFD to finance Contingent Service Costs by levying the Contingent Services Special Tax on Taxable Parcels that are within the boundaries of the Services CFD. Following City's receipt of a Petition, 3333 California Street Developer and City will meet with City's public financing consultants to determine reasonable and appropriate terms of the proposed Services CFD that are consistent with this Financing Plan.

(b) Formation of Facilities CFD. In addition, in 3333 California Street Developer's sole discretion, the 3333 California Street Developer may submit a Petition to City under the CFD Act for formation of a Facilities CFD to finance Qualified Project Costs by levying the Facilities Special Tax on Taxable Parcels that are within the boundaries of the Facilities CFD. Should the 3333 California Street Developer submit a Petition to form a Facilities CFD, the 3333 California Street Developer shall have the discretion to propose Facilities Special Tax rates, subject to compliance with Section 2.3(e) and Section 2.3(f) and may include proposed specifications for the Facilities CFD, including any proposed Improvement Areas. Following City's receipt of a Petition, 3333

California Street Developer and City will meet with City's public financing consultants to determine reasonable and appropriate terms of the proposed Facilities CFD as set forth in 3333 California Street Developer's Petition to the extent consistent with this Financing Plan.

(c) Goals and Policies. City shall establish a CFD pursuant to this Financing Plan promptly following submission by 3333 California Street Developer of a Petition and compliance with Section 53318(d) of the Mello-Roos Act. City and 3333 California Street Developer intend that the provisions of this Financing Plan be consistent with and authorized by the CFD Goals; accordingly, at the time a CFD is formed, City may waive any provisions in its CFD Goals that are inconsistent with this Financing Plan, subject to the restrictions set forth in Section 2.6(g). A Services CFD may include separate tax zones and a Facilities CFD may include separate Improvement Areas.

(d) Taxable Parcels. 3333 California Street Developer and City intend that Project Special Taxes will be levied against the applicable Taxable Parcels for the purposes and in the manner described in this Financing Plan and agree that any Exempt Parcels will be exempt from Project Special Taxes.

(e) Transferees. 3333 California Street Developer shall obligate each Transferee in the Assignment and Assumption Agreement to cooperate in the formation of the Services CFD.

(f) Purposes of CFDs. Except as otherwise agreed to by 3333 California Street Developer and City, 3333 California Street Developer shall be required to Petition the City under the CFD Act to establish the Services CFD as set forth in Section 1.1(a) and Section 1.1(b) only after the EIFD has been created pursuant to Article 3. The Services CFD shall be authorized to levy the Contingent Services Special Taxes to finance the Contingent Services Costs upon the occurrence of a Trigger Event. If the 3333 California Street Developer petitions to form a Facilities CFD, the Facilities CFD (and each Improvement Area) shall be authorized to finance Qualified Project Costs, irrespective of the geographic location of the Improvements financed.

(g) Joint Community Facilities Agreements. If the 3333 California Street Developer petitions to form a Facilities CFD, then under the CFD Act, City may be required to enter into a joint community facilities agreement with another Governmental Entity that will own or operate any of the authorized Improvements. City and 3333 California Street Developer agree that to the extent required for compliance with the CFD Act they will take all steps reasonably necessary to procure the authorization and execution of any required joint community facilities agreement with a Governmental Entity other than City before the issuance of any CFD Bonds that will finance authorized Improvements that will be owned or operated by such Governmental Entity other than City. This paragraph is applicable only if the 3333 California Street Developer determines to form the Facilities CFD to finance facilities, and shall not apply to the Services CFD.

(h) Notice of Special Tax Lien. Upon formation of the Services CFD, the Contingent Services Special Taxes will be secured by recordation in the Official Records of continuing liens against all Taxable Parcels that are within the Services CFD at the time of formation of the Services CFD and through amendments to the notice of special tax lien upon annexation of additional property into the Services CFD. If the 3333 California Street Developer petitions to form a Facilities CFD, then upon formation of the Facilities CFD, the Facilities Special Taxes will be secured by recordation in the Official Records of continuing liens against all applicable Taxable Parcels that are within the Facilities CFD at the time of formation of the Facilities CFD and through amendments to the notice of special tax lien upon annexation of additional property into the Facilities CFD.

2.2 Scope of CFD-Financed Costs

(a) Authorized Costs. The Services CFD shall be authorized to levy the Contingent Services Special Taxes to finance only the Contingent Services Costs solely upon the occurrence of a Trigger Event. The Facilities CFD, if formed at the discretion of the 3333 California Street Developer, may finance only Qualified Project Costs that: (i) are financeable under the CFD Act; and (ii) on a taxable or tax-exempt basis as determined by Tax Laws.

2.3 Parameters of CFD Formation

(a) Cooperation. 3333 California Street Developer and City agree to cooperate reasonably in developing an RMA for each CFD that is consistent with this Financing Plan and, to the extent consistent with this Financing Plan and the respective 3333 California Street Developer's Petition. 3333 California Street Developer and City will each use good-faith reasonable efforts at all times to furnish timely to the other, or to obtain and then furnish timely to the other, any information reasonably necessary to develop each RMA, such as legal boundaries of the property to be included and 3333 California Street Developer's plans for the types, sizes, numbers, and timing for development, within the applicable CFD.

(b) RMA Consultants and Approval. An RMA for each CFD will be: (i) developed by City's special tax consultant, in consultation with 3333 California Street Developer and City's staff and other consultants; (ii) consistent with 3333 California Street Developer's Petition to the extent consistent with this Financing Plan; and (iii) subject to approval of the Board of Supervisors in the resolution of formation for the applicable CFD. Project Special Taxes on any Taxable Parcel must not exceed any applicable maximum rate specified in the CFD Goals and this Financing Plan, unless otherwise approved by the Board of Supervisors and 3333 California Street Developer.

(c) Priority Administrative Costs. In determining coverage requirements for any reason (e.g., bond sizing, parity bonds, etc.), City shall prioritize the payment of administrative costs for such CFD.

(d) Special Taxes.

(i) The RMA for the Services CFD shall create the Contingent Services Special Taxes that shall be levied only upon Developed Property. The Contingent Services Special Taxes shall be established such that the aggregate Contingent Services Special Taxes within the Services CFD are sufficient to finance the Contingent Services Costs, and shall be levied only upon the occurrence of a Trigger Event.

(ii) Each RMA for the Facilities CFD, if any, may create the Facilities Special Tax and shall specify rates for Developed Property and Undeveloped Property. Facilities Special Tax rates for Developed Property may vary based on sizes, densities, types of buildings to be constructed, and other relevant factors if the Facilities CFD is formed. Each RMA will establish Facilities Special Tax rates assuming that any CFD Bonds issued will have a debt service coverage-ratio of one hundred ten percent (110%), unless City and 3333 California Street Developer approve a higher ratio for establishing the Facilities Special Tax rates to market the CFD Bonds effectively. Each RMA shall also establish Facilities Special Tax rates for Undeveloped Property. In each RMA, the Facilities Special Tax rates will be set so that the Total Tax Obligation on any Taxable Residential Unit within each Improvement Area of the CFD will not exceed two percent (2%) of the 3333 California Street projected sales price of that Taxable Residential Unit calculated at the time the Improvement Area is designated (the "2% Limitation"). If an RMA is modified to increase the Facilities Special Tax rates, the Facilities Special Tax rates will be modified so that the Total Tax Obligation on any Taxable Residential Unit within an Improvement Area of the Facilities CFD does not exceed the 2% Limitation when the proposed modification goes into effect. The 2% Limitation will not apply to non-residential property in a CFD.

(e) Escalation of Special Tax Rates. For the Contingent Services Special Taxes, the RMA shall provide for annual increases that shall be the lesser of (i) the percentage change in CPI or some other index approved by the City and 3333 California Street Developer, and (ii) 5%. If a Facilities CFD is formed, then for the Facilities Special Tax, at the 3333 California Street Developer's discretion, each RMA will provide for annual increases in the Facilities Special Tax rates of up to 2% annually.

(f) Priority for Annual Levy of Facilities Special Taxes. This subsection (g) does not apply to the Services CFD and applies only to a Facilities CFD if the 3333 California Street Developer, in its discretion, determines to Petition to form the Facilities CFD and the Facilities CFD is formed. Each RMA will provide for the levy of Facilities Special Taxes on Developed Property (as defined in each RMA) at the maximum Facilities Special Tax rate beginning in the initial year of the levy and continuing for a period of time not exceeding ten (10) years from the initial levy of Facilities Special Taxes in the Facilities CFD to create Remainder Taxes (in accordance with Section 2.3(h)) to finance Qualified Project Costs. If Improvement Areas are designated, the 10-year period shall apply separately to each Improvement Area. Thereafter, City shall levy Facilities Special Taxes each remaining year of the Facilities CFD's or Improvement Area's (as applicable) term to fund debt service (not including capitalized interest), administrative costs and Qualified Project Costs, to be financed by the Facilities CFD (collectively, the "Facilities Special Tax Requirement") according to the priorities set

forth in the Indenture, until the Facilities Special Tax Requirement is fully satisfied. Each RMA must reflect the priorities set forth below:

(i) First, Facilities Special Taxes will be levied on each Taxable Parcel of Developed Property at the maximum Facilities Special Tax rate, regardless of whether City has issued CFD Bonds or the debt service requirements for any existing CFD Bonds, before applying any capitalized interest.

(ii) Second, to the extent the funds to be collected under clause (i) will not be sufficient to satisfy the Facilities Special Tax Requirement in full after application of any capitalized interest, Facilities Special Taxes will be levied proportionately on each Taxable Parcel of Undeveloped Property, up to one hundred percent (100%) of the applicable maximum Facilities Special Tax rate established in the applicable RMA until the Facilities Special Tax Requirement is satisfied.

(g) Use of Remainder Taxes. This subsection (h) does not apply to the Services CFD and applies only to a Facilities CFD if the 3333 California Street Developer, in its discretion, determines to Petition to form the Facilities CFD and the Facilities CFD is formed.

(i) Developer and City contemplate that, within each Improvement Area of the Facilities CFD, Qualified Project Costs will be paid from Remainder Taxes collected in such Improvement Area both before and after the issuance of CFD Bonds for such Improvement Area, subject to the 10-year limitation described in Section 2.3(g) above. Accordingly, each RMA will provide that Remainder Taxes may be used to finance Qualified Project Costs. Annually, on or before October 1 of each year, City shall deposit Remainder Taxes in the applicable Remainder Taxes Project Account for the Facilities CFD.

(ii) Amounts on deposit in the Remainder Taxes Project Account shall be applied to pay Qualified Project Costs.

(iii) Remainder Taxes deposited in the Remainder Taxes Project Account will not be deemed or construed to be pledged for payment of debt service on any CFD Bonds, and neither 3333 California Street Developer nor any other person will have the right to demand or require that City or Fiscal Agent, as applicable, use funds in the Remainder Taxes Project Account to pay debt service.

(h) Prepayment. The Contingent Services Special Taxes may not be prepaid. If a Facilities CFD is formed, then each RMA will include provisions allowing a property owner within the related Improvement Area that is not in default of its obligation to pay Facilities Special Taxes to prepay Facilities Special Taxes based on a formula that will require payment of the property owner's anticipated total Facilities Special Tax obligation. Prepaid Facilities Special Taxes will be placed in a segregated account in accordance with the applicable Indenture, and each RMA and the applicable Indenture will specify the use of prepaid Facilities Special Taxes.

(i) Amendment to RMA. Each RMA must be consistent with this Financing Plan, except as agreed by City and 3333 California Street Developer. Nothing in this Financing Plan will prevent an amendment of an RMA for the CFD under its terms or under Change Proceedings as described in this Financing Plan.

(j) Reducing Facilities Special Tax Rates Before Issuance of First CFD Bonds. This subsection (k) does not apply to the Services CFD and applies only to a Facilities CFD if the 3333 California Street Developer, in its discretion, determines to Petition to form the Facilities CFD. Each RMA shall contain a provision that allows 3333 California Street Developer to request that the Facilities Special Tax rates be reduced for the applicable Improvement Area before any CFD Bonds are issued. If expressly permitted and defined in an RMA, any such reduction of the Facilities Special Tax rates in the applicable Improvement Area may be done administratively without the vote of the qualified electors of such Improvement Area before CFD Bonds for the applicable Improvement Area are issued. If expressly permitted and defined in an RMA, a reduction in one taxing category does not have to be proportionate to the reduction in any other taxing category (i.e., disproportionate reductions may be expressly allowed in such RMA). If the maximum Facilities Special Tax rate is permanently reduced, City will record timely an appropriate instrument in the Official Records.

(k) Affordable Housing and Other Facilities. Notwithstanding anything to the contrary contained herein and in the CFD Act, each RMA shall (i) include provisions exempting parcels that contain 100% Affordable Units, (ii) establish reduced Project Special Tax rates for Inclusionary Units as approved by 3333 California Street Developer and the City, and (iii) establish reduced Project Special Tax rates for childcare and community facilities.

2.4 Issuance of CFD Bonds. This Section 2.4 does not apply to the Services CFD and applies only to a Facilities CFD if the 3333 California Street Developer, in its discretion, determines to Petition to form the Facilities CFD and the Facilities CFD is formed.

(a) Issuance. Subject to approval of the Board of Supervisors, City, on behalf of the Facilities CFD, intends to issue CFD Bonds within each Improvement Area for purposes of this Financing Plan, but only upon the written request of 3333 California Street Developer. 3333 California Street Developer may submit written requests that City issue CFD Bonds, specifying requested issuance dates, amounts, and main financing terms. Following 3333 California Street Developer's request, 3333 California Street Developer and City will meet with City's public financing consultants to determine reasonable and appropriate issuance dates, amounts, and main financing terms that are consistent with this Financing Plan, sound municipal finance practices and Section 2.4(g).

(b) Payment Dates. So that Remainder Taxes may be calculated on the same date for all CFD Bonds, each issue of CFD Bonds shall have interest payment dates of March 1 and September 1, with principal due on September 1.

(c) Value-to-Lien Ratio. The appraised or assessed value-to-lien ratio required for each CFD Bond issue will be three to one (3:1), unless otherwise required by the CFD Act, recommended by the City's underwriter or financial advisor or mutually agreed by the 3333 California Street Developer and City.

(d) Coverage Ratio. All CFD Bonds will have a debt service coverage-ratio of one hundred ten percent (110%), unless otherwise recommended by the City's underwriter or financial advisor or agreed to by City and 3333 California Street Developer.

(e) Term. CFD Bonds will have a term of not less than thirty (30) years and not more than forty (40) years unless 3333 California Street Developer and City agree otherwise.

(f) Office of Public Finance. All City decisions regarding the issuance of CFD Bonds shall be made following consultation with the Controller's Office of Public Finance.

(g) City Funding Goal. The City and the 3333 California Street Developer agree that it is one of the purposes of this Financing Plan to implement sound and prudent public fiscal policies that protect the City's General Fund and the City's financial standings and fiduciary obligations, while operating within the constraints of this Financing Plan and, as applicable, the CFD Act, the CFD Goals, and Tax Laws.

2.5 Use of Proceeds. This Section 2.5 does not apply to the Services CFD and applies only to a Facilities CFD if the 3333 California Street Developer, in its discretion, determines to Petition to form the Facilities CFD and the Facilities CFD is formed.

(a) CFD Bond Proceeds. Subject to Tax Laws, the CFD Act, and the CFD Goals, CFD Bond proceeds will be used in the following order of priority: (i) to fund required reserves and pay costs of issuance; (ii) to fund capitalized interest amounts, if any is requested by 3333 California Street Developer; and (iii) to pay Qualified Project Costs. Any CFD Bond proceeds remaining after the deposits required by the preceding clauses (i) and (ii) will be deposited into the CFD Bonds Project Account as designated in the applicable Indenture.

(b) Qualified Project Costs. By this Financing Plan, and subject to Tax Laws, City agrees to use the proceeds of CFD Bonds on deposit in each CFD Bonds Project Account or as otherwise provided in the applicable Indenture and, subject to Sections 2.3(h), all Remainder Taxes on deposit in the Remainder Taxes Project Account to finance Qualified Project Costs. In furtherance of this Financing Plan, City shall levy Facilities Special Taxes in each Fiscal Year in strict accordance with the RMA and this Financing Plan.

2.6 Miscellaneous CFD Provisions

(a) **Change Proceedings.** This **Section 2.6(a)** does not apply to the Services CFD and applies only to a Facilities CFD if the 3333 California Street Developer, in its discretion, determines to Petition to form the Facilities CFD and the Facilities CFD is formed. Subject to the limitations in this Financing Plan, Tax Laws and the CFD Act, City will not reject unreasonably 3333 California Street Developer's request to conduct Change Proceedings under the CFD Act to: (i) make any changes to the RMA, including amending the rates and method of apportionment of Facilities Special Taxes; (ii) increase or decrease the authorized bonded indebtedness limit within the CFD or any Improvement Area; (iii) annex property that was not identified as Future Annexation Area into the CFD (or any Improvement Area therein); (iv) add additional public capital facilities for the 3333 California Street Project; or (v) take other actions reasonably requested by 3333 California Street Developer.

(b) **Maintaining Levy of CFD Financing.** Under section 3 of article XIIC of the California Constitution, voters may, under certain circumstances, vote to reduce or repeal the levy of special taxes in a community facilities district. However, Section 9 of article I of the California Constitution prohibits the passage of a law resulting in an impairment of contract. The purpose of this **Section 2.6(b)** is to give notice that: (i) the Agreement (including this Financing Plan) is a contract between 3333 California Street Developer and City; (ii) the financing of the Qualified Project Costs through the application of CFD Bond proceeds (which are secured by Facilities Special Taxes) and Remainder Taxes is an essential part of the consideration for the Agreement; (iii) the financing of the Contingent Services Costs through the application of Contingent Services Special Taxes is an essential part of the consideration for the Agreement; and (iv) any reduction in City's ability to levy and collect Facilities Special Taxes and Contingent Services Special Taxes would materially impair the Agreement. To further preserve the Agreement, City agrees that: (y) until all CFD Bonds have been repaid in full or defeased before maturity for any reason other than a refunding, and except as otherwise provided in this Financing Plan, it will not initiate or conduct proceedings under the CFD Act to reduce the Facilities Special Tax rates without 3333 California Street Developer's written consent or if not otherwise legally compelled to do so (e.g., by a final order of a court of competent jurisdiction); and (z) if the voters adopt an initiative ordinance under section 3 of article XIIC of the California Constitution that purports to reduce, repeal, or otherwise alter the Facilities Special Tax rates before all CFD Bonds have been repaid in full or defeased before maturity for any reason other than a refunding, City will meet and confer with 3333 California Street Developer to consider commencing and pursuing reasonable legal action to preserve City's ability to comply with this Financing Plan.

(c) **Covenant to Foreclose.** This **Section 2.6(c)** does not apply to the Services CFD and applies only to a Facilities CFD if the 3333 California Street Developer, in its discretion, determines to Petition to form the Facilities CFD and the Facilities CFD is formed. City will covenant with the owners of CFD Bonds to foreclose the lien of delinquent Facilities Special Taxes on both the underlying fee in the case of privately-owned Taxable Parcels or on the leasehold interests in the case of public

property that is leased to private owners, in each case consistent with the general practice for community facilities districts in California and otherwise as determined by City in consultation with its underwriter or financial advisor for the CFD Bonds and other consultants, subject to applicable laws.

(d) Reserve Fund Earnings. This Section 2.6(d) does not apply to the Services CFD and applies only to a Facilities CFD if the 3333 California Street Developer, in its discretion, determines to Petition to form the Facilities CFD and the Facilities CFD is formed. Subject to Tax Laws, the Indenture for each issue of CFD Bonds will provide that earnings on any reserve fund that are not then needed to replenish the reserve fund to the reserve requirement will be transferred to the debt service fund held by the Fiscal Agent under such Indenture.

(e) Authorization of Reimbursements. This Section 2.6(e) does not apply to the Services CFD and applies only to a Facilities CFD if the 3333 California Street Developer, in its discretion, determines to Petition to form the Facilities CFD and the Facilities CFD is formed. City will take all actions necessary to satisfy section 53314.9 of the Government Code or any similar statute subsequently enacted to use CFD Bond proceeds and Remainder Taxes to reimburse 3333 California Street Developer for: (i) CFD formation and CFD Bond issuance deposits; and (ii) advance funding of Qualified Project Costs.

(f) Material Changes to the CFD Act. If material changes to the CFD Act after the date of the Agreement make CFD Bonds or Facilities Special Taxes unavailable or severely impair their use as a source for financing the Qualified Project Costs, or make Contingent Services Special Taxes unavailable or severely impair their use as a source of financing Contingent Services Costs, City and 3333 California Street Developer will negotiate in good faith as to a substitute public financing program equivalent in nature and function to CFDs.

(g) CFD Goals. Following formation of the Facilities CFD, the City shall not change or amend the CFD Goals as they apply to the Facilities CFD if such changes or amendments could adversely impact the 3333 California Street Project or are inconsistent with this Financing Plan or conflict with the 3333 California Street Development Agreement unless such changes or amendments are required under the Mello-Roos Act or other controlling State or federal law or, with respect to the Facilities CFD, as otherwise approved by 3333 California Street Developer in its sole discretion.

(h) Private Placement of CFD Bonds. This Section 2.6(h) does not apply to the Services CFD and applies only to a Facilities CFD if the 3333 California Street Developer, in its discretion, determines to Petition to form the Facilities CFD and the Facilities CFD is formed. Subject to Board of Supervisors approval, upon 3333 California Street Developer's written request, City shall consider selling CFD Bonds in a private placement to a small number of investors (which may include 3333 California Street Developer and its affiliates). In connection with any such private placement, City, the 3333 California Street Developer and the investors may agree upon terms regarding

the security of the CFD Bonds. Consistent with the CFD Goals, City will consider the appropriate categories of investors for any such CFD Bonds.

(i) **No Credit Enhancement.** This Section 2.6(i) does not apply to the Services CFD and applies only to a Facilities CFD if the 3333 California Street Developer, in its discretion, determines to Petition to form the Facilities CFD and the Facilities CFD is formed. City shall not, under any circumstances, require 3333 California Street Developer or any property owner in the Facilities CFD (or any Improvement Area therein) to provide a letter of credit or other credit enhancement as security for the payment of the Facilities Special Taxes in the Facilities CFD (or any Improvement Area therein) in connection with the issuance of CFD Bonds or otherwise. The City and the 3333 California Street Developer agree that this subsection shall not prohibit the City from structuring an issue of CFD Bonds to include one or more debt service reserve accounts funded by proceeds of the CFD Bonds or Facilities Special Taxes if recommended by the City's underwriter or financial advisor.

(j) **CFD Acquisition Agreement.** This Section 2.6(j) does not apply to the Services CFD and applies only to a Facilities CFD if the 3333 California Street Developer, in its discretion, determines to Petition to form the Facilities CFD and the Facilities CFD is formed. Contemporaneously with the formation of the Facilities CFD, 3333 California Street Developer and City will enter into the CFD Acquisition Agreement that will apply to the construction and acquisition or reimbursement of the Qualified Project Costs of the authorized Improvements for the Facilities CFD. The CFD Acquisition Agreement shall be structured so that it is automatically applicable to any financing by special taxes levied in, or CFD Bonds issued for, all phases of the 3333 California Street Project, without requiring any modifications to the CFD Acquisition Agreement or any further approvals by City. The CFD Acquisition Agreement shall contain an acknowledgment by City and 3333 California Street Developer as to the following:

(i) 3333 California Street Developer may be constructing authorized Improvements before CFD Bond proceeds and Remainder Taxes (herein, "**CFD Funding Sources**") that will be used to acquire them or reimburse their Qualified Project Costs are available;

(ii) For Improvements to be owned by the City, the City will inspect such Improvements and process payment requests even if CFD Funding Sources for the amount of pending payment requests are not then sufficient to satisfy them in full;

(iii) Authorized Improvements may be conveyed to and accepted by City or other Governmental Entity before the applicable payment requests are paid in full;

(iv) If City or other Governmental Entity accepts authorized Improvements before the applicable payment requests are paid in full, the unpaid balance will be paid when sufficient CFD Funding Sources become available, and the CFD Acquisition Agreement will provide that the applicable payment requests for such

Improvements accepted by City or other Governmental Entity may be paid: (A) in any number of installments as CFD Funding Sources become available; (B) irrespective of the length of time payment is deferred; and (C) except with respect to the final payment for any Improvement, prior to formal acceptance by the Governmental Entity or private entity of the Improvements that are the subject of such payment requests;

(v) 3333 California Street Developer's conveyance or dedication of authorized Improvements to City or other Governmental Entity before the availability of CFD Funding Sources to acquire such Improvements is not a dedication or gift, or a waiver of 3333 California Street Developer's right to payment of such Improvements under this Financing Plan or the CFD Acquisition Agreement; and

(vi) 3333 California Street Developer's conveyance or dedication of authorized Improvements to a private entity before the availability of CFD Funding Sources to reimburse the Qualified Project Costs of such Improvements is not a dedication or gift, or a waiver of 3333 California Street Developer's right to payment of such Improvements under this Financing Plan or the CFD Acquisition Agreement.

(k) No Other Land-Secured Financings. Except to the extent permitted under the Agreement, City shall not initiate the formation of any land-secured financing district involving the levy of special taxes or assessments on property in the 3333 California Street Project. Financing by the EIFD shall not constitute land-secured financings within the meaning of this section.

(l) Annexation of Future Annexation Property to Services CFD. Property identified in the boundary map for the Services CFD as "Future Annexation Area" may be annexed into the Services CFD into the initial tax zone or into a separate tax zone, in any case upon submission of a unanimous written approval of the property owner(s) of the property to be annexed. The Future Annexation Area property shall be annexed from time to time upon the submission of the unanimous written approval of the property owner(s) of the property to be annexed pursuant to the CFD Act according to the procedures established by the Board of Supervisors in the Services CFD formation proceedings and Section 1.1(b). The timing of any such annexation shall comply with Section 1.1(b).

(m) Annexation of Future Annexation Property to Facilities CFD. Property identified in the boundary map for the Facilities CFD as "Future Annexation Area" may be annexed into the Facilities CFD into the initial Improvement Area, into another previously existing Improvement Area that was created after the formation of the Facilities CFD, or into a new Improvement Area, in any case upon submission of a unanimous written approval of the property owner(s) of the property to be annexed. The Future Annexation Area property shall be annexed from time to time upon the submission of the unanimous written approval of the property owner(s) of the property to be annexed pursuant to the CFD Act according to the procedures established by the Board of Supervisors in the Facilities CFD formation proceedings. The timing of any such annexation shall comply with Section 1.1(c).

(n) Using Allocated Tax Revenues to Pay Debt Service. Upon the written request of the 3333 California Street Developer indicating that it would like to structure the Facilities CFD to issue early CFD Bonds and have the Allocated Tax Revenues from the EIFD used to pay debt service on the CFD Bonds, the City and the 3333 California Street Developer shall cooperate in good faith to structure the Facilities CFD and the RMA to allow for the payment of some or all of the debt service on the CFD Bonds from the Allocated Tax Revenues in the EIFD (the “Offset”). .

2.7 Contingent Services Costs

(a) After a Trigger Event, the CFD may levy the Contingent Services Special Taxes on the Taxable Parcels to pay the Contingent Services Costs.

(b) The Contingent Services Costs from which the maximum Contingent Services Special Taxes will be derived will be determined by 3333 California Street Developer in consultation with the City and will be based on a maintenance budget reasonably approved by the City and the 3333 California Street Developer prior to formation of the Services CFD that is based on a third-party consultant study verifying a reasonably-anticipated initial and full “build-out” budget. As used in this Financing Plan, “maintenance” includes repair, replacement and the creating and funding of a reserve fund to pay for repair and replacement.

2.8 CFD Limitations. This Section 2.8 does not apply to the Services CFD and applies only to a Facilities CFD if the 3333 California Street Developer, in its discretion, determines to Petition to form the Facilities CFD and the Facilities CFD is formed.

(a) City and 3333 California Street Developer agree that the Facilities CFD will be formed so that the proceeds of CFD Bonds and Remainder Taxes may be applied to accomplish, as applicable, the following goal in the manner set forth in this Financing Plan: to finance Qualified Project Costs. To accomplish this goal, and subject to the limitations set forth in this Section 2.8, and in light of the CFD Goals:

(i) the Facilities CFD (and each Improvement Area) will be authorized to finance the Qualified Project Costs;

(ii) City and 3333 California Street Developer will mutually determine the term for levying Facilities Special Taxes; and

(iii) the amount of authorized bonded indebtedness will be established to allow the issuance of the CFD Bonds to finance Qualified Project Costs.

(b) CFD Bonds will be issued exclusively to finance Qualified Project Costs unless 3333 California Street Developer and City mutually agree to the issuance of CFD Bonds for the Facilities CFD to finance other facilities.

2.9 Perpetual Tax. In the Services CFD, once levied following the Trigger Event, the Contingent Services Special Taxes will be levied in perpetuity.

3. ENHANCED INFRASTRUCTURE FINANCING DISTRICT FINANCING

3.1 Formation of the EIFD

(a) The City agrees (i) to submit to the Board of Supervisors for approval a resolution of intention to establish the EIFD over the 3333 California Street Project Site and the 3700 California Street Project Site that is consistent with the terms set forth in this Financing Plan and (ii) when applicable, and under the circumstances described in this Financing Plan, to hold the required public hearing and submit to the Board of Supervisors for approval a resolution approving the IFP to the extent it is consistent with the terms set forth in this Financing Plan. Notwithstanding any other provision of this Financing Plan, Assessor's Parcel No. 1015-001, which is the parcel on which the nine-unit residential building at 401 Cherry Street is located, will not be included in the EIFD, and all references in this Financing Plan to the 3700 California Street Project Site shall be deemed to exclude Assessor's Parcel No. 1015-001 for that limited purpose.

(b) The City and the 3333 California Street Developer have determined that the boundaries of proposed EIFD will not overlap with the boundaries of any redevelopment project areas.

(c) The City will use good faith efforts to cause the Public Financing Authority to establish the EIFD under the EIFD Law.

(d) The EIFD will be governed by the Public Financing Authority.

(e) The City will submit the IFP to the Board of Supervisors for approval only if it allocates the Allocated Tax Revenue and conditionally allocates the Conditional Tax Revenue to the EIFD for the maximum term allowed under EIFD Law, subject to any redevelopment enforceable obligations, as set forth in the EIFD Law, and subject to the provisions of this Financing Plan. The City will submit the IFP to the Board of Supervisors for approval only if it provides that (i) the Allocated Tax Revenue will be used solely for the financing of Qualified EIFD Improvements for the Projects and other authorized purposes, as set forth in this Financing Plan and (ii) the Conditional Tax Revenue will be used to provide additional debt service coverage for each issue of EIFD Bonds and, if necessary, pay debt service on EIFD Bonds and replenish any reserve funds for the EIFD Bonds, as set forth in this Financing Plan.

(f) The City and the 3333 California Street Developer agree that the resolution of intention and the IFP submitted to the Board of Supervisors for approval shall each provide for the Project Areas as described in Section 1.2(b). The IFP submitted for approval to the Board of Supervisors shall provide that each Project Area (i) has separate and unique time limits associated with the Allocated Tax Revenue and Conditional Tax Revenue for each Project Area, and (ii) will generate Allocated Tax Revenue and Conditional Tax Revenue that will be allocated by the City to the EIFD commencing (A) no earlier than the fiscal year that begins after the legal parcels in the Project Area have been subdivided so as to conform to the boundaries of the Project Area and the Board of Equalization has approved an application for a tax rate area for

such Project Area and (B) on the first day of the fiscal year in which the EIFD has actually received one hundred thousand dollars (\$100,000) in Allocated Tax Revenue from that Project Area, and continuing for 45 years from the commencement date for such Project Area. The IFP also will provide that the allocation of Allocated Tax Revenue and Conditional Tax Revenue to the EIFD will not result in the total amount of the Allocated Tax Revenue and the Conditional Tax Revenue for a tax year exceeding the amount determined pursuant to Section 53398.75(a)(2) for such tax year. The 3333 California Street Developer and the City agree that the ability to implement Project Areas will be subject to the approval of the Public Financing Authority.

(g) The City shall cooperate with the 3333 California Street Developer, the 3700 California Street Developer and the EIFD to execute the EIFD Acquisition Agreement. The EIFD Acquisition Agreement shall contain, among other things, (i) provisions regarding the process for the construction, inspection, and acceptance of Qualified EIFD Improvements by the City, (ii) provisions regarding the process for requisitioning the payment of, or reimbursement for, Qualified EIFD Improvements from the EIFD Funding Sources, (iii) covenants by the EIFD to apply the EIFD Funding Sources in accordance with the IFP and the EIFD Acquisition Agreement, (iv) parameters for the issuance of EIFD Bonds, (v) covenants by the EIFD to timely conduct reports and audits required by the EIFD Law, and (vi) enforcement provisions that the City, the 3700 California Street Developer and the 3333 California Street Developer may exercise to ensure the financing of the Projects pursuant to the IFP, as described in subsections (h), (i), and (j) below.

(h) The EIFD Acquisition Agreement and the IFP submitted for approval to the Board of Supervisors (i) shall provide that in the event that the EIFD defaults under its obligations under the EIFD Acquisition Agreement, and an Event of Default (as defined in the EIFD Acquisition Agreement) occurs, the City, the 3700 California Street Developer and the 3333 California Street Developer may exercise all legal and equitable remedies available, including but not limited to, filing proceedings to compel injunctive relief or specific performance of the IFP and the EIFD Acquisition Agreement, (ii) shall include an acknowledgement and agreement by the EIFD that a failure of the EIFD to timely perform any duty, obligation, or covenant under the IFP, including the application of the Allocated Tax Revenue and Conditional Tax Revenue in accordance with the IFP and the application of such Allocated Tax Revenue to fund the Projects in accordance with the EIFD Acquisition Agreement, will cause irreparable harm to the 3333 California Street Developer and the 3700 California Street Developer that cannot be fully compensated by monetary damages and shall entitle the 3333 California Street Developer and the 3700 California Street Developer to seek injunctive relief or specific performance from the EIFD and (iii) shall entitle the City to all legal and equitable remedies, including, but not limited to, injunctive relief to compel the EIFD to perform its duties, obligations, or covenants under the IFP and the EIFD Acquisition Agreement.

(i) The EIFD Acquisition Agreement submitted for approval to the Board of Supervisors shall provide that, due to the unique nature of the IFP and the Projects and because time is of the essence in the performance of obligations under the IFP, the City and the EIFD waive the procedural protections of the Government Claims Act,

California Gov't Code Section 810 et seq, in connection with any dispute related to or arising out of the IFP or the EIFD Acquisition Agreement, including those procedures requiring the filing of an administrative claim within the applicable statute of limitation.

(j) The EIFD Acquisition Agreement submitted for approval to the Board of Supervisors shall provide that except as expressly limited by the IFP or the EIFD Acquisition Agreement, the rights and remedies of the parties to the EIFD Acquisition Agreement regarding the enforcement of the Public Financing Authority's obligations to implement the IFP shall be cumulative, and the exercise by any party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other remedies contained in the EIFD Acquisition Agreement for the same breach by the applicable party.

(k) The EIFD Acquisition Agreement submitted for approval to the Board of Supervisors shall provide that the 3333 California Street Developer and the 3700 California Street Developer shall not be entitled to receive payment or reimbursement thereunder unless the 3700 California Street Developer has executed and the City has caused to be recorded in the real property records a waiver that is substantively similar to the waiver of the 3333 California Street Developer set forth in Section 3.6 of this Financing Plan. Should the City determine, based upon the advice of bond counsel, that the provisions of the 3700 California Street Developer's waiver could cause the interest on an issue of EIFD Bonds to be subject to federal income taxation, the City, the 3700 California Street Developer and the 3333 California Street Developer shall meet and confer to discuss bond counsel's advice and thereafter, the City may either, in its discretion (i) ask the Public Financing Authority to issue such proposed EIFD Bonds as federally taxable bonds or (ii) (A) release the 3700 California Street Developer from its obligations under such waiver, and the waiver will be deemed to have been discharged and (B) ask the Public Financing Authority to structure any proposed EIFD Bonds in accordance with Section 3.4(c) of the Financing Plan after taking into account the release of the 3700 California Street Developer's obligations under such waiver.

(l) The following sources, as available, shall be applied to finance Qualified EIFD Improvements (together, "**EIFD Funding Sources**"): Allocated Tax Revenue and the proceeds of EIFD Bonds.

(m) The EIFD Acquisition Agreement submitted for approval to the Board of Supervisors shall provide for all of the following:

(i) For Qualified EIFD Improvements to be owned by the City, the City shall inspect such Qualified EIFD Improvements and the City and the EIFD shall process payment requests even if EIFD Funding Sources for the amount of pending payment requests are not then sufficient to satisfy them in full;

(ii) Qualified EIFD Improvements may be constructed and conveyed (including to the City or other Governmental Entity or private entity) before the applicable payment requests are paid in full;

(iii) The unpaid balance of applicable payment requests shall be paid when sufficient EIFD Funding Sources become available, and such payments may be made: (A) in any number of installments as EIFD Funding Sources become available; (B) irrespective of the length of time payment is deferred; and (C) except with respect to the final payment for any EIFD Improvement, prior to formal acceptance by the applicable public or private entity (including the City or other Governmental Entity) of the Qualified EIFD Improvements that are the subject of such payment requests; and

(iv) 3333 California Street Developer or 3700 California Street Developer's conveyance or dedication of Qualified EIFD Improvements to the applicable public or private entity (including the City or other Governmental Entity) before the availability of EIFD Funding Sources to acquire such improvements is not a dedication or gift or a waiver of 3333 California Street Developer or 3700 California Street Developer's right to payment of such Qualified EIFD Improvements under this Financing Plan or the EIFD Acquisition Agreement.

3.2 Allocated Tax Revenue; Conditional Tax Revenue

(a) The IFP and the EIFD Acquisition Agreement submitted for approval to the Board of Supervisors will provide the following prioritization of use of the Allocated Tax Revenue, and the City will not approve any amendments to the IFP that would alter such prioritization without the 3333 California Street Developer and the 3700 California Street Developer's prior written approval:

(i) first, to pay EIFD administrative costs;

(ii) second, to pay debt service on EIFD Bonds and to replenish any reserve funds associated with EIFD Bonds;

(iii) third, to repay the City for any Conditional Tax Revenue actually used to pay debt service on EIFD Bonds or replenish debt service reserve funds for the EIFD Bonds in an amount equal to the Conditional Tax Revenue actually used to pay debt service on the EIFD Bonds or replenish debt service reserve funds for the EIFD Bonds plus interest through the date of repayment at an annual interest rate equal to the rate of interest on the United States Treasury bond with a 10-year maturity on the date of the first use of Conditional Tax Revenue plus 300 basis points, and such interest rate shall remain fixed for the remainder of the term of the IFP; and

(iv) fourth, to accumulate over time and, from time to time at the 3333 California Street Developer's or the 3700 California Street Developer's request, to pay directly or reimburse the 3333 California Street Developer or the 3700 California Street Developer for the Qualified EIFD Improvements as set forth in the EIFD Acquisition Agreement.

(b) The IFP submitted for approval to the Board of Supervisors will include a conditional allocation of Conditional Tax Revenue to the EIFD, and will provide that the Conditional Tax Revenue may only be used to (i) provide additional debt service coverage on the EIFD Bonds, (ii) pay debt service on EIFD Bonds, and (iii) replenish

debt service reserve funds for such EIFD Bonds to the extent that Allocated Tax Revenue is not available for those purposes. The Indenture for any EIFD Bonds shall provide that on an annual basis, once it has been determined that all or a portion of the Conditional Tax Revenue for a tax year is not needed for the purposes described in clauses (ii) and (iii) of the preceding sentence for the applicable calendar year because of the availability of Allocated Tax Revenue, such unneeded Conditional Tax Revenue shall be transferred to the City for deposit in the General Fund. The City will not approve any amendments to the IFP that would alter the use of the Conditional Tax Revenue without 3333 California Street Developer's and 3700 California Street Developer's prior written approval. Conditional Tax Revenue shall be used to provide additional debt service coverage on all EIFD Bonds regardless of whether amounts have previously been expended on debt service or reserve fund replenishment for EIFD Bonds.

3.3 The IFP

(a) The IFP submitted for approval to the Board of Supervisors shall provide that all Allocated Tax Revenue available after paying EIFD administrative costs shall be utilized for the maximum term allowed under EIFD Law solely for the financing of the Qualified EIFD Improvements for the Projects, either through payment of debt service and replenishment of reserve funds for EIFD Bonds or directly on a pay-as-you-go basis, as set forth in this Financing Plan.

(b) The IFP submitted for approval to the Board of Supervisors shall contain the provisions described in Section 3.4.

(c) The IFP submitted for approval to the Board of Supervisors shall contain the enforcement mechanisms described in Sections 3.1(g), 3.1(h), and 3.1(i).

(d) The IFP submitted for approval to the Board of Supervisors may provide for amendments to the boundaries of the Project Areas that can be accomplished without further hearings or approvals (including the approval of the Board of Supervisors, although prior written notice to the Board of Supervisors may be required). Such amendments may include (i) replacement of certain initial Project Areas with new Project Areas upon the subdivision of property in the initial Project Areas and (ii) changes to the boundaries of one or more Project Areas to conform the Project Areas to the final development parcels established by recordation of one or more final subdivision maps.

3.4 Issuance of EIFD Bonds

(a) The City will not approve any amendments of the IFP that would alter the following principles related to the issuance of EIFD Bonds: (i) the EIFD will issue EIFD Bonds in compliance with the EIFD Law and the IFP to finance the Qualified EIFD Improvements, (ii) the EIFD Bonds will not be issued except upon the written request of the 3333 California Street Developer and with the prior approval of the Board of Supervisors, and (iii) other than paying EIFD administrative costs, and costs of issuance

and funding capitalized interest and debt service reserve funds, the proceeds of the EIFD Bonds shall be used to finance Qualified EIFD Improvements.

(b) The IFP and the EIFD Acquisition Agreement submitted for approval to the Board of Supervisors will provide that the EIFD shall issue EIFD Bonds upon the written request of the 3333 California Street Developer and the 3700 California Street Developer made to the EIFD and the City, subject to the provisions of this Section 3.4.

(c) The IFP and the EIFD Acquisition Agreement submitted for approval to the Board of Supervisors will provide that any issue of EIFD Bonds will be structured with a debt service coverage ratio that maximizes the proceeds of the EIFD Bonds provided (i) such EIFD Bonds are issued consistent with sound municipal financing practices and Section 3.4(g) after consultation with the Controller's Office of Public Finance, and (ii) the City is assured, to its reasonable satisfaction, based on actual and projected reasonably foreseeable economic conditions that could have an impact on the assessed value of the property in the EIFD, that the EIFD Bonds are structured in a manner that (A) mitigates any potential material risk that the EIFD could default in the payment of debt service on the EIFD Bonds and (B) provides reasonable assurance to the City that that the Conditional Tax Revenue would likely be available to the City's General Fund and unlikely to be needed to pay debt service on the EIFD Bonds or replenish debt service reserve funds for the EIFD Bonds. The City may implement other bond structure elements that it determines are consistent with sound municipal financing practices and Section 3.4(g), including requiring one or more debt service reserve funds.

(d) Prior to requesting the issuance of EIFD Bonds, 3333 California Street Developer will consult with the City's Controller (or the Controller's designee). The Controller will recommend that the Board of Supervisors approve such requested issue of EIFD Bonds if the Controller has determined that (1) the issue will meet the standards set forth in Section 3.4(c) and (2) the issue will be consistent with the EIFD Law, the IFP, and this Financing Plan. If the Controller recommends disapproval, the Controller shall specify in writing the reasons for such recommendation.

(e) The Board of Supervisors shall consider all requests to approve the issuance of EIFD Bonds in accordance with its customary practices based on the record before it, which shall include the Controller's recommendation and a description of the requirements and purposes of this Financing Plan.

(f) The IFP and the EIFD Acquisition Agreement submitted for approval to the Board of Supervisors will provide that at the written request of the 3333 California Street Developer made to the EIFD and the City, the EIFD shall consider the issuance of one or more series of federally taxable Bonds to finance the Actual Cost (as defined in the EIFD Acquisition Agreement) of Qualified EIFD Improvements that cannot be financed on a federally tax-exempt basis.

(g) The City, the 3700 California Street Developer and the 3333 California Street Developer agree that it is one of the purposes of this Financing Plan to

implement sound and prudent public fiscal policies that protect the City's General Fund and the City's financial standings and fiduciary obligations, while operating within the constraints of this Financing Plan and, as applicable, the EIFD Law and Tax Laws.

(h) Notwithstanding any other provision of this Financing Plan, the IFP submitted for approval to the Board of Supervisors will provide that the EIFD will not issue any EIFD Bonds until, for each Taxable Parcel that the Underwriter has utilized for purposes of sizing the EIFD Bonds, (i) the Developer has exhausted all of its appeal rights with respect to the Baseline Assessed Value or (ii) the Developer has notified the City and the EIFD in writing that, with respect to the Taxable Parcel, (A) the Developer is aware of its right to appeal the Taxable Parcel's Baseline Assessed Value that was established following the Taxable Parcel's recent improvement/sale, (B) the Developer has either availed itself of that right or decided not pursue any further appeals with respect to the Baseline Assessed Value arising out of the recent improvement/sale and (C) the Developer does not waive any right to appeal future assessed valuations of the Taxable Parcel. The written notice submitted by the Developer pursuant to the previous sentence shall be satisfactory in form and substance to the City's Controller and the Executive Director of the EIFD.

3.5 Termination of Allocated Tax Revenue. The parties hereby agree and the IFP submitted for approval to the Board of Supervisors shall provide that prior to the issuance of any EIFD Bonds by the EIFD, and notwithstanding any other provision of the IFP or this Financing Plan, the allocation of Allocated Tax Revenue and Conditional Tax Revenue under the IFP may be permanently terminated by the adoption by the Board of Supervisors of a termination resolution if the first tax increment-producing building in the EIFD that was constructed, or caused to be constructed, by the 3333 California Street Developer or the 3700 California Street Developer (regardless of Project Area) has not received a certificate of occupancy for new construction or expansion of a building constituting permanent new development (not including rehabilitation, relocation, or other work that does not constitute permanent new development) before the tenth anniversary of the adoption by the Public Financing Authority of the resolution establishing the EIFD (herein, the "**Optional Termination for Cause**"). For purposes of this paragraph, "certificate of occupancy" means the first certificate, including any temporary certificate of occupancy, issued by the City to confirm that a building or a portion of a building has met all of the building codes and can be occupied for residential or non-residential use. To provide clarity, the Optional Termination for Cause provisions set forth above shall no longer be applicable upon the first to occur of the (i) date that the first tax increment-producing building in any Project Area of the EIFD that was constructed or caused to be constructed by the 3333 California Street Developer or the 3700 California Street Developer receives a certificate of occupancy for new construction or expansion of a building constituting permanent new development (not including rehabilitation, relocation, or other work that does not constitute permanent new development) or (ii) date of the first issuance of EIFD Bonds by the EIFD. Within sixty (60) days of the occurrence of either (i) or (ii) in the preceding sentence, the Director of the Controller's Office of Public Finance shall confirm in writing to the 3333 California Street Developer and the 3700 California Street Developer that the Optional Termination for Cause provisions set forth in this Section 3.5 are no longer applicable to the EIFD and that the allocation of Allocated Tax

Revenue and Conditional Tax Revenue under the IFP is no longer subject to Optional Termination for Cause pursuant to this Section 3.5.

The IFP submitted for approval to the Board of Supervisors shall provide that any Allocated Tax Revenue received by the EIFD prior to the earlier of (i) the Optional Termination for Cause or (ii) the Director of the Controller's Office of Public Finance written confirmation to the 3333 California Street Developer and the 3700 California Street Developer that the Optional Termination For Cause provisions are no longer applicable to the EIFD as described in the previous paragraph, shall accumulate and may be used by the Public Financing Authority exclusively to pay administrative expenses and for no other purpose. If the Director of the Controller's Office of Public Finance provides written confirmation to the 3333 California Street Developer and the 3700 California Street Developer that the Optional Termination For Cause provisions are no longer applicable to the EIFD, any accumulated Allocated Tax Revenue received by the EIFD that was not used for administrative expenses shall be available to the 3333 California Street Developer and the 3700 California Street Developer for financing Qualified EIFD Improvements.

The IFP submitted for approval to the Board of Supervisors shall provide that if the Optional Termination for Cause occurs, any accumulated Allocated Tax Revenue received by the EIFD that was not used for administrative expenses, shall be returned by the Public Financing Authority to the City.

3.6 Reassessments.

(a) In consideration of the City entering into this Financing Plan, 3333 California Street Developer agrees as follows with respect to parcels that it owns in the boundaries of the EIFD.

(b) From and after the Commencement Date (as defined in the IFP) for a Project Area, 3333 California Street Developer may initiate a Reassessment in connection with the determination of the Baseline Assessed Value of any parcel within such Project Area, but may not and hereby waives its right to initiate a Reassessment of the Subsequent Assessed Value of that parcel within such Project Area until the earlier of (i) the date on which (A) there are no authorized uses under the IFP of the Allocated Tax Increment or the Conditional Tax Increment generated in such Project Area and neither the 3333 California Street Developer nor the City expects there to be any further such authorized uses and (B) the City has been repaid for the use of Conditional Tax Revenue in accordance with the IFP or (ii) the EIFD Termination Date with respect to such Project Area. For the avoidance of doubt, this Section 3.6(b) does not restrict the ability of the 3333 California Street Developer to initiate a Reassessment on any parcel in a Project Area prior to either the date of the initial certificate of occupancy or the Commencement Date for such Project Area.

(c) 3333 California Street Developer agrees to include a provision substantially similar to this Section in any Assignment and Assumption Agreement.

(d) 3333 California Street Developer understands that the City would not be willing to enter into this Financing Plan without this Section. 3333 California Street Developer has knowingly, willingly and voluntarily agreed to this Section 3.6 with awareness of the likely consequences, after consulting with legal counsel. The City and 3333 California Street Developer agree that there are no alternative means to achieve the purposes of this Section 3.6. Nothing in this Section 3.6 is intended to limit the San Francisco Assessor's independent duty to value property in accordance with Section 2(b) of California Constitution Article XIII A and California Revenue and Taxation Code Section 51.

(e) Should the City determine, based upon the advice of bond counsel, that the provisions of subsection (b) above could cause the interest on an issue of EIFD Bonds to be subject to federal income taxation, the City, the 3700 California Street Developer and the 3333 California Street Developer shall meet and confer to discuss bond counsel's advice and thereafter, the City may either, in its discretion (i) ask the Public Financing Authority to issue such proposed EIFD Bonds as federally taxable bonds or (ii) (A) release 3333 California Street Developer from its obligations under this Section 3.6, and this Section 3.6 will be deemed severed from this Financing Plan and (B) ask the Public Financing Authority to structure any proposed EIFD Bonds in accordance with Section 3.4(c) after taking into account the release of the 3333 California Street Developer's obligations under this Section 3.6.

3.7 Validation

(a) 3333 California Street Developer is aware that the EIFD will file a judicial validation action relating to the formation of EIFD and actions authorized under the IFP and agrees to pay the reasonable costs of such validation action.

4. INTERPRETATION; DEFINITIONS

4.1 Interpretation of Agreement

(a) Development Agreement. This Financing Plan (including its Attachments, as updated from time to time) is a part of the 3333 California Street Development Agreement and is subject to all of its general terms, including the definitions and rules of interpretation.

(b) Inconsistent Provisions. 3333 California Street Developer and the City intend for this Financing Plan to prevail over any inconsistent provisions relating to the financing structure for the 3333 California Street Project and their respective financing-related obligations in any other agreement between them related to the 3333 California Street Project, including other provisions of the 3333 California Street Development Agreement.

4.2 Defined Terms

(a) Definitions. The following terms have the meanings given to them below or are defined where indicated. Capitalized terms not defined herein have the meanings given such terms in the Development Agreement.

"2% Limitation" is defined in Section 2.3(e) herein.

"Allocated Tax Revenue" means 58.252419% of the City Share of Increment.

"Assignment and Assumption Agreement" is defined in the 3333 California Street Development Agreement.

"Base Year" means, for each Project Area, the fiscal year in which the assessed value of taxable property in such Project Area was last equalized prior to the effective date of the resolution adopted pursuant to Section 53398.69 of the EIFD Law to create the EIFD. The Base Year will be set forth in the IFP.

"Baseline Assessed Value" means, as applicable, (1) the initial assessed value of a parcel in the EIFD in the first Fiscal Year in which the assessed value reflects the full cash value of the initial improvements constructed on the parcel for which the City has issued an initial certificate of occupancy, or (2) the initial assessed value of a parcel in the EIFD in the first Fiscal Year in which the assessed value reflects any change in ownership or later improvements.

"Board of Supervisors" means the Board of Supervisors of the City and County of San Francisco.

"CFD" means, as the context requires, the Services CFD and/or the Facilities CFD.

"CFD Acquisition Agreement" means, for the Facilities CFD only, the agreement between 3333 California Street Developer and the City governing the terms of the City's acquisition of authorized improvements and reimbursement of Qualified Project Costs and any other cost paid by 3333 California Street Developer and authorized to be financed by the Facilities CFD under this Financing Plan to the extent Qualified, as the same may be modified or amended from time to time.

"CFD Act" means the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X), which incorporates the Mello-Roos Act, as amended from time to time.

"CFD Bonds" means, for the Facilities CFD only, one or more series of bonds (including refunding bonds) secured by the levy of Facilities Special Taxes within an Improvement Area.

"CFD Bonds Project Account" means, for the Facilities CFD only, the funds or accounts, however denominated, held by the Fiscal Agent under an Indenture containing

the CFD Bond proceeds to be used to finance Qualified Project Costs, and other authorized uses as set forth in this Financing Plan.

"CFD Funding Sources" is defined in Section 2.6(j)(i).

"CFD Goals" means the Local Goals and Policies for Community Facilities Districts, approved by Board of Supervisors Resolution No. 414-13 in effect on the date a CFD is formed, and, subject to Section 2.6(g), as amended from time to time.

"CFD Notice of Special Tax Lien" is defined in Section 1.1(b).

"Change Proceedings" means proceedings under section 53332 of the Mello-Roos Act initiated by 3333 California Street Developer's Petition.

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

"City Share of Increment" means 64.588206% of Gross Tax Increment.

"Conditional Tax Revenue" means 41.747581% of the City Share of Increment, which the City will allocate on a conditional basis to the EIFD for the purposes described in Section 3.4(e).

"Contingent Services" means the maintenance, repair, and replacement of the privately-maintained portions of the Publicly Accessible Private Improvements and Streetscape Improvements (both as defined in the 3333 California Development Agreement) located within the 3333 California Street Project from the Contingent Services Special Taxes.

"Contingent Services Costs" means the costs of the Contingent Services, all to the extent that they are Qualified.

"Contingent Services Special Taxes" means a special tax levied under an RMA for the Services CFD that will be used to finance the Contingent Services, including all delinquent Contingent Services Special Taxes collected at any time by payment or through foreclosure proceedings.

"CPI" means the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-Hayward region (base years 1982-1984=100) published by the United States Department of Labor's Bureau of Labor Statistics or if such index is no longer published, some other index approved by the City and 3333 California Street Developer.

"Developed Property" means, as will be set forth in each RMA, for the Facilities Special Tax (if any) and the Contingent Services Special Tax, in any Fiscal Year, a Taxable Parcel on which there will be new development under the 3333 California Street Development Agreement for which a certificate of occupancy has been issued on or

before June 30 of the preceding Fiscal Year. A certificate of occupancy means the first certificate, including any temporary certificate of occupancy, issued by the City confirming that all or a portion of a building can be occupied for residential or non-residential use. A certificate of occupancy following rehabilitation, relocation, or other work not constituting permanent new development under the 3333 California Street Development Agreement shall not be included.

"EIFD" means an Enhanced Infrastructure Financing District created pursuant to the EIFD Law, to be known as San Francisco Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street).

"EIFD Acquisition Agreement" means the agreement between 3333 California Street Developer, the 3700 California Street Developer, the City, and the EIFD governing the terms of the City's acquisition, construction, and reimbursement of Qualified EIFD Improvements and any other cost paid by 3333 California Street Developer or the 3700 California Street Developer and authorized to be financed by the EIFD under the EIFD Law and the IFP to the extent Qualified, as the same may be modified or amended from time to time.

"EIFD Bonds" means one or more series of bonds (including refunding bonds) secured by Allocated Tax Revenue and the Conditional Tax Revenue generated from property in the EIFD.

"EIFD Funding Sources" means Allocated Tax Revenue and the proceeds of EIFD Bonds.

"EIFD Improvements" means the Improvements described in Exhibit A to the EIFD Acquisition Agreement to the extent consistent with the IFP (as such exhibit may be amended or supplemented from time to time in accordance with the EIFD Acquisition Agreement and the EIFD Law). The IFP and the EIFD Acquisition Agreement shall provide that the EIFD will not finance the ongoing or capitalized costs to maintain public capital facilities financed in whole or in part by the EIFD.

"EIFD Law" means Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53398.50.

"Exempt Parcel" means with respect to the CFD (i) any property identified by the 3333 California Street Developer in its Petition as property that is exempt from Contingent Services Special Taxes or Facilities Special Taxes, as applicable, including parking structures, child care centers, and senior center facilities; (ii) real property owned by the City or any other Governmental Entity, (iii) parcels described in the second sentence of Section 53340(c), and (iv) parks, open space, landscaping, and streets, whether publicly or privately owned. Exempt Parcel does not include an assessor's parcel that, immediately prior to the acquisition by the City or other Governmental Entity, was a Taxable Parcel that City or any other Governmental Entity acquires by gift, devise, negotiated transaction, or foreclosure (including by way of credit bidding), or an

assessor's parcel that, immediately prior to the acquisition by the City, was a Taxable Parcel that City acquires under any right of reverter.

"EIFD Termination Date" means, for each Project Area in the EIFD, the date on which all allocations to the EIFD of Allocated Tax Revenue and Conditional Tax Revenue from that Project Area ends under the IFP.

"Facilities CFD" means a community facilities district formed under the CFD Act to finance Qualified Project Costs, all to the extent provided in the proceedings for the Facilities CFD and this Financing Plan. If the Facilities CFD has designated Improvement Areas, then the term "Facilities CFD" shall mean, individually, an Improvement Area or, collectively, all Improvement Areas, as the context requires.

"Facilities Special Tax" means a special tax levied under an RMA for the Facilities CFD that will be used to finance Project Costs as set forth in this Financing Plan, including all delinquent Facilities Special Taxes collected at any time by payment or through foreclosure proceedings.

"Facilities Special Tax Requirement" means, as set forth in each RMA for the Facilities CFD, the amount of Facilities Special Taxes required in any Fiscal Year to fund (i) debt service on CFD Bonds (not including capitalized interest), (ii) replenishment of the reserve fund, (iii) administrative costs and (iv) to the extent that it does not increase the Facilities Special Taxes levied against Undeveloped Property, costs authorized to be financed by this Financing Plan.

"Financing Plan" is defined in the preamble.

"Fiscal Agent" means the fiscal agent or trustee under an Indenture.

"Fiscal Year" means the period commencing on July 1 of any year and ending on the following June 30.

"Future Annexation Area" means the geographic area designated at CFD formation as an area for future annexation to the CFD, as provided in the Mello-Roos Act.

"Governmental Entity" means a Federal, State, or local governmental agency, including the City.

"Gross Tax Increment" means, for each Project Area, 100% of the revenue produced by the application of the 1% ad valorem tax rate to the Incremental Assessed Property Value of the property within the 3333 California Street Project Area.

"HOA" means the homeowners' or property owners' association that encumbers all or a portion of the property in the 3333 California Street Project Site.

"IFP" means the Infrastructure Financing Plan for the EIFD required to be prepared and approved under the EIFD Law.

"Improvement Area" means, for the Facilities CFD only, an improvement area within the Facilities CFD designated pursuant to section 53350 of the Mello-Roos Act. Any reference in this Financing Plan to an Improvement Area shall be deemed references to the Facilities CFD as a whole if the Facilities CFD is formed without Improvement Areas.

"Improvements" means public or private improvements constructed, or caused to be constructed, in connection with the development of the 3333 California Street Project and that are authorized to be financed under the EIFD Law or CFD Act, as applicable.

"Incremental Assessed Property Value" means, in any Fiscal Year, for each Project Area, the difference between the assessed value of the taxable property within the Project Area for that Fiscal Year and the assessed value of the taxable property within the Project Area in the Base Year, to the extent that the difference is a positive number.

"Indenture" means one or more indentures, trust agreements, fiscal agent agreements, financing agreements, or other documents containing the terms of any CFD Bonds or EIFD Bonds.

"Mello-Roos Act" means the Mello-Roos Community Facilities Act of 1982 (Cal. Gov't Code §§ 53311-53368), as amended from time to time.

"Official Records" is defined in the 3333 California Street Development Agreement.

"Offset" is defined in Section 2.6(n).

"Permitted 3333 Assigns" means a Transferee that (i) has executed an Assignment and Assumption Agreement with respect to the 3333 California Street Development Agreement and (ii) has executed a Public Financing Assignment with respect to some or all of the rights set forth in this Financing Plan. A Transferee that has executed an Assignment and Assumption Agreement with respect to the 3333 California Street Development Agreement but that was not assigned any rights and obligations under this Financing Plan through a Public Financing Assignment shall not be considered a Permitted 3333 Assign of the 3333 California Street Developer under this Financing Plan notwithstanding that such Transferee shall be considered a "3333 California Street Developer" under the 3333 California Street Development Agreement.

"Permitted 3700 Assigns" means a transferee of the 3700 California Street Project Site that has executed a Public Financing Assignment with respect to some or all of the rights set forth in this Financing Plan and the EIFD Acquisition Agreement. A transferee that has not been assigned any rights and obligations under this Financing Plan and the EIFD Acquisition Agreement through a Public Financing Assignment shall

not be considered a Permitted 3700 Assign of the 3700 California Street Developer under this Financing Plan notwithstanding that such transferee owns all or part of the 3700 California Street Project Site.

"Petition" means a petition required by the CFD Act to initiate formation of, or conduct change proceedings under, a CFD.

"Potential Trigger Event" means any of the following: (i) the HOA is dissolved; (ii) the HOA votes to terminate providing the Contingent Services; or (iii) the HOA fails to adhere to the maintenance requirements of the Declaration of Public Access Covenants and Restrictions described in Exhibit C to the Development Agreement, which is to be recorded in the Official Records of San Francisco County prior to the issuance of the First Construction Document (as defined in San Francisco Building Code Section 107A.13.1(a)(8)) for the 3333 California Street Project, or the Encroachment Permit and Maintenance Agreement, dated June 5, 2024, between the 3333 California Street Developer and the City and recorded in the Official Records of San Francisco County as Document No. 2024046665 on June 20, 2024.

"Principal Payment Date" means, for the Facilities CFD only, (i) if CFD Bonds have not yet been issued, September 1 of each year, and (ii) if CFD Bonds have been issued, the calendar date on which principal or sinking fund payments on the CFD Bonds are, in any year, payable (for example, if the principal amount of CFD Bonds are payable on September 1, the Principal Payment Date shall be September 1, regardless of whether principal payments are actually due in any particular year).

"Project Areas" means one or more project areas of the EIFD.

"Project Costs" means the hard and soft costs of developing the 3333 California Street Project or the 3700 California Street Project, as applicable, that are eligible for financing by the EIFD Law or CFD Act, including Improvements.

"Project Special Taxes" means, collectively, (i) the Facilities Special Taxes (if any) in each Improvement Area of the Facilities CFD, and (ii) the Contingent Services Special Taxes in the Services CFD.

"Projects" means the 3333 California Street Project and the 3700 California Street Project.

"Public Financing Assignment" means (A) for the 3333 California Street Developer, a written assignment signed by the 3333 California Street Developer and the Transferee of some or all of the rights and obligations of the CFD and/or EIFD to a Transferee, which assignment (i) shall be contained in the partial or whole assignment of the rights and obligations of the CFD Acquisition Agreement (with respect to the CFD) or the EIFD Acquisition Agreement (with respect to the EIFD), as the case may be, and (ii) must be separate and distinct from the Assignment and Assumption Agreement associated with the 3333 California Street Development Agreement and (B) for the 3700 California Street Developer, a written assignment signed by the 3700 California Street

Developer and the transferee of some or all of the rights and obligations of the EIFD to a transferee, which assignment (i) shall be contained in the partial or whole assignment of the rights and obligations of the EIFD Acquisition Agreement, and (ii) must be separate and distinct from any general assignment of rights and obligations associated with the transfer of property.

"Public Financing Authority" means the Enhanced Infrastructure Financing District Public Financing Authority No. 1, established by the City to provide for the financing of Qualified EIFD Improvements related to the 3333 California Street Project and the 3700 California Street Project.

"Qualified" means, with reference to any costs (including EIFD Improvements, Project Costs, and Contingent Services Costs), that they are authorized to be financed under the CFD Act, the EIFD Law, the Tax Laws (if applicable), and/or this Financing Plan, as applicable. For the avoidance of doubt, costs may be Qualified under Tax Laws on a tax-exempt or taxable basis.

"Reassessment" means a proceeding that a taxpayer initiates under the California Revenue and Taxation Code that results in a Value Reduction.

"Remainder Taxes" means, for the Facilities CFD only, as calculated between September 1st and December 31st of any Fiscal Year, all Facilities Special Taxes that were collected in an Improvement Area in the prior Fiscal Year and were not needed to pay: (a) debt service on the outstanding CFD Bonds for such Improvement Area, as applicable, due in the calendar year that begins in the Fiscal Year in which the Remainder Special Taxes were levied, if any; (b) administrative costs for such Improvement Area payable in that Fiscal Year; (c) amounts levied to replenish the applicable reserve fund as of the Principal Payment Date, including amounts reserved for reasonable anticipated delinquencies, if any; and (d) amounts needed to pay periodic costs on CFD Bonds for such Improvement Area, including liquidity support and rebate payments on CFD Bonds for such Improvement Area.

"Remainder Taxes Project Account" means, for the Facilities CFD only, a separate account created by or on behalf of City for each Improvement Area of the Facilities CFD and maintained by or on behalf of City to hold all Remainder Taxes generated from such Improvement Area, to be used as set forth in this Financing Plan.

"RMA" means the applicable rate and method of apportionment of special taxes for (i) the Services CFD as approved in accordance with the CFD Act and (ii) if formed, for each Improvement Area of the Facilities CFD, as approved in accordance with the CFD Act.

"Services CFD" means a community facilities district formed under the CFD Act to finance Contingent Services Costs, all to the extent provided in the proceedings for the CFD and this Financing Plan.

"State" means the State of California.

"Subsequent Assessed Value" means the assessed value of a parcel in the EIFD in any Fiscal Year after the most recent Baseline Assessed Value was established.

"Tax Laws" means the Internal Revenue Code of 1986, as amended, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under said Internal Revenue Code, all as of the date of determination.

"Taxable Parcel" means, depending on the context, (i) with respect to the Services CFD, and as determined by the RMA for the Services CFD, a lot or parcel that is, as of the date of determination, within the Services CFD and that is not an Exempt Parcel, (ii) with respect to the Facilities CFD, if any, and as determined by the applicable RMA for the Facilities CFD, a lot or parcel that is, as of the date of determination, within the Facilities CFD or an Improvement Area within the Facilities CFD and that is not an Exempt Parcel, and (iii) with respect to the EIFD, a parcel that is subject to the ad valorem property tax within the boundaries of a Project Area.

"Taxable Residential Unit" means, for the Facilities CFD only, a residential unit within the Facilities CFD.

"Total Tax Obligation" means, for the Facilities CFD only, with respect to a Taxable Parcel at the time of calculation, the sum of: (a) the ad valorem taxes, charges and fees actually levied or projected to be levied on the County tax roll if the Taxable Parcel were developed at the time of calculation; (b) the Facilities Special Tax rates (but not the Contingent Services Special Tax rates) levied or projected to be levied if the Taxable Parcel were developed at the time of calculation; (c) all installments of special assessments secured by a lien on the Taxable Parcel if the Taxable Parcel were developed at the time of calculation; and (d) all other special taxes (based on assigned special tax rates), including the Contingent Services Special Taxes, or assessments secured by a lien on the Taxable Parcel levied or projected to be levied if the Taxable Parcel were developed at the time of calculation.

"Transferee" is defined in the 3333 California Street Development Agreement.

"Trigger Event" means the date following both (i) the written notice to the 3333 California Street Developer of a Potential Trigger Event and (ii) the failure of the 3333 California Street Developer to remedy the default described in the notice after having been provided a reasonable opportunity to cure such default. The Parties agree that a reasonable opportunity to cure such default includes 180 days (i.e., 90 days for the Developer and owners of Taxable Parcels to cure, with an additional 90 days for lenders secured by Taxable Parcels to cure the default).

"Underwriter" means the underwriter for any issue of CFD Bonds or EIFD Bonds.

"Underwriter Force Majeure" is defined in Section 1.4.

“Undeveloped Property” means, for the Facilities CFD only, in any Fiscal Year, Taxable Parcels in the Facilities CFD or an Improvement Area that are not Developed Property, as defined in the applicable RMA.

“Value Reduction” means a reduction in assessed value of a parcel obtained through a proceeding that the pertinent taxpayer initiates under the California Revenue & Taxation Code.

“3333 California Street Developer” means Laurel Heights Partners, LLC a Delaware limited liability company, its successors, and its Permitted 3333 Assigns.

“3333 California Street Development Agreement” means a Development Agreement between City and the 3333 California Street Developer, recorded in the Official Records of San Francisco County on September 11, 2020, as Document No. 2020015925, as modified by a Memorandum of Minor Modification of Development Agreement (Amendment No. 1, recorded in the Official Records of San Francisco County on June 26, 2024, as Document No. 2024048267, and a Second Amendment to Development Agreement, dated as of March 21, 2024, and to be recorded in the Official Records of San Francisco County, as amended from time to time.

“3333 California Street Project” has the meaning given to the term Project in the 3333 California Street Development Agreement.

“3333 California Street Project Site” has the meaning given to the term Project Site in the 3333 California Street Development Agreement.

“3700 California Street Developer” means California 3700 LLC, a Delaware limited liability company, its successors, and its Permitted 3700 Assigns.

“3700 California Street Project” means the demolition of five of the six existing hospital buildings on the 3700 California Street Project Site; adaptive re-use and expansion of the Marshal Hale hospital building at 3698 California Street for residential and institutional use; retention of the existing nine-unit residential building at 401 Cherry Street; construction of 19 new buildings that would contain 493 dwelling units, including 15 single-family homes and four multi-family residential buildings; and 74 institutional units for assisted living and memory care; and construction of approximately 45,500 square feet of residential and 8,400 square feet of institutional shared onsite amenity space and approximately 70,700 square feet of private and common open space areas for residents. [NTD: the garage buildings are accessory to the hospital, and thus hospital buildings, and the project description in the Addendum and other docs. for 3700 Cal does not distinguish those. Edits are intended to keep this definition consistent with everything else.]

“3700 California Street Project Site” means an approximate 4.9-acre site located in the City on California Street, on one full City block and portions of two other City blocks, comprised of Assessor Parcel Nos. 1015-052, 1015-053, 1016-001, 1016-002, 1016-003,

1016-004, 1016-005, 1016-006, 1016-007, 1016-008, 1016-009, 1017-027, 1017-028,
and 1015-001.

Schedule 1

Community Benefits Linkages and Impact Fees Schedule

Pursuant to Section 4.1 of the Agreement, the Developer's Community Benefits obligations are tied to specific Buildings or number of Market Rate Units (as defined in Exhibit D) that will be developed over the course of the Project and during the Term of the Agreement. The linkages between the specific Community Benefits and the associated Buildings or Market Rate Units are detailed below, as well as within any referenced exhibits. The development impact fees that apply to the Project are detailed below.

COMMUNITY BENEFITS

1. **Publicly Accessible Private Improvements.** The Developer shall complete the Publicly Accessible Private Improvements described in Exhibit C and generally depicted in Attachment C-1 prior to obtaining a first certificate of occupancy (including any temporary certificate of occupancy) for any non-retail portion, if any, of specific Buildings as described below (or, in the case of Publicly Accessible Private Improvements to be delivered only after completion of more than one Building, then prior to obtaining the first certificate of occupancy for the later Building); provided, however, that if Developer wishes to receive a first certificate of occupancy (or the equivalent thereof) for a Building (or later Building, as applicable) before completing its associated Publicly Accessible Private Improvement, then, notwithstanding anything to the contrary in this Schedule, Developer may complete this obligation after that certificate of occupancy for the associated Building (or later Building, as applicable) by providing to the City, prior to issuance of the first certificate of occupancy for that Building (or later Building, as applicable), a surety performance bond or other security in form acceptable to the City and in an amount equal to 100% of the reasonably estimated cost to complete that Publicly Accessible Private Improvement, and shall diligently and continuously pursue that Publicly Accessible Private Improvement to completion following which such bond will be released.
 - a. California Plaza – with the completion of Plaza A Building
 - b. Cypress Square – with the completion of Plaza B Building
 - c. Cypress Stairs – with the later completion of either Plaza A Building or Plaza B Building
 - d. Mayfair Walk – the Mayfair Walk extends the entire width of the Project Site and shall be completed in segments tied to the completion of the adjacent Buildings as depicted in Attachment C-1 (the later of Mayfair Building or Plaza A Building, the later of Plaza B Building or Center A Building, and the completion of Center B Building)

- e. Presidio Overlook – with the completion of Center Building B
- f. Pine Street Steps – with the completion of Center Building B
- g. Walnut Walk North – with the later completion of Center A Building or Center B Building
- h. Walnut Walk South – with the later completion of the Euclid Building or Masonic Building
- i. Walnut Drive and Walnut Court – with the later completion of Plaza B Building or Walnut Affordable Housing Building (as defined in Exhibit D)
- j. Euclid Green – with the completion of the Project’s final Building; provided, however, that if the Developer receives a first certificate of occupancy (including any temporary certificate of occupancy) for any Building(s) without completing all proposed Buildings during the Term, then Euclid Green shall be completed by the end of the Term.
- k. Pedestrian Access – if Developer receives a first certificate of occupancy (including any temporary certificate of occupancy) for any Building(s) without completing all proposed Buildings during the Term that would otherwise require the completion of Walnut Walk North, Walnut Walk South, and Mayfair Walk as described above, then Developer, in conjunction with the Planning Department, shall design an alternative plan for pedestrian access that seeks to achieve similar pedestrian access and widths as Walnut Walk North, Walnut Walk South, and Mayfair Walk, but takes into account then then-current on-site conditions, including locations of improvements and the Project Site's topography, and the Developer shall construct such alternative plan improvements prior to the end of the Term.

2. **Streetscape Improvements.** The Developer shall complete each of the Streetscape Improvements described in Exhibit C and generally depicted in Attachment C-1 (and as will be more specifically set forth in the building permit application for the Streetscape Improvements associated with the applicable Building) before obtaining any first certificate of occupancy (including any temporary certificate of occupancy) for the applicable Building (or later of adjacent Buildings, if applicable) for such Streetscape Improvement as depicted in Attachment C-1; provided, however, that if Developer wishes to receive a first certificate of occupancy for a Building before completing its associated Streetscape Improvement, then, notwithstanding anything to the contrary in this Schedule, Developer may complete its associated Streetscape Improvement after that certificate of occupancy by providing a surety performance bond or other security to City, prior to issuance of the first certificate of occupancy for that Building, in form acceptable to the City and in an amount equal to 100% of the reasonably estimated cost to complete that Streetscape Improvement, and the Developer shall diligently and continuously pursue that Streetscape Improvement to completion following which the bond shall be released. Such requirement shall be in addition to any security or bonding requirements required under

the street improvement permit issued by City's Department of Public Works for the performance of such Streetscape Improvement.

3. **Maintenance and Operation.** The Developer shall cause the appropriate party (e.g., a master association) to enter into agreements for the ongoing operation, maintenance and repair of the Publicly Accessible Private Improvements to the standards described in Attachment C-2 and Attachment C-3.
4. **Housing Plan.** The Project's BMR Units shall be complete as set forth in Exhibit D, the Affordable Housing Program.
5. **AWSS Community Benefit Fee.** The Project's AWSS Community Benefit Fee shall be paid as set forth in Schedule 2.
6. **Workforce Agreement.** The workforce requirements will apply to the Project as set forth in Exhibit I, the Workforce Program.
7. **Transportation Demand Management.** The Transportation Demand Management Plan shall be implemented as set forth in Exhibit J, the Transportation Exhibit, and the Approvals described in Exhibit E.
8. **Child Care Program.** The Developer shall have constructed the child care facility to warm shell condition, as described in Exhibit L, on the Walnut Child Care Parcel (as defined in Exhibit D) by the earlier of receiving a first certificate of occupancy (including any temporary certificate of occupancy) for the Walnut Affordable Housing Building (as defined in Exhibit D) and obtaining a first certificate of occupancy (including any temporary certificate of occupancy) for more than four hundred seventy-seven (477) Market Rate Units (as defined in Exhibit D). In addition, if the Developer receives a first certificate of occupancy (or a temporary certificate of occupancy) for any Building, the Developer must obtain a first certificate of occupancy (or a temporary certificate of occupancy) for the child care facility before the expiration of the Term. The child care facility shall be operated on the terms described in Exhibit L.
9. **Construction Period Enhancement Measures.** Developer shall comply with the construction period enhancement measures described in Exhibit N during the initial construction of any portion of the Project.

DEVELOPMENT IMPACT FEES

The following development impact fees apply to the Project: Transportation Sustainability Fee (Planning Code Section 411A) and Jobs Housing Linkage Fee (Section 413). The Residential Child Care Impact Fee (Planning Code Section 414A) and the Affordable Housing Fee (Planning Code Section 415) have been waived in consideration of the on-site provision of a child care facility and affordable housing as described in Exhibit L and Exhibit D, respectively.

As provided in Planning Code Section 403 and Section 107A.13.3 of the San Francisco Building Code, the Project is eligible for the Fee Deferral Program. Notwithstanding anything to the contrary in Planning Code Section 403, the Project also will be eligible for reduction of the Transportation Sustainability Fee pursuant to Planning Code Section 403 for any Building that has received a site permit on or before November 1, 2026, subject to extension for periods of Excusable Delay, and then receives a First Construction Document within thirty (30) months of site permit approval. If Planning Code Section 403 is amended to extend either the November 1, 2026 date by which the fee must be assessed or the timeline within which a First Construction Document must be obtained to be eligible for the fee reduction, then such extended timelines shall apply to the Project.



PLANNING COMMISSION MOTION NO. 21731

HEARING DATE: MAY 1, 2025

Record No.: 2017-003559CUA-03
Project Address: 3700 California Street
Zoning: RH-2 (Residential - House, Two-Family) and
RM-2 (Residential - Mixed, Moderate Density) Zoning Districts
40-X and 80-E Height and Bulk Districts
Block/Lot: 1015/001, 052 & 053; 1016/001-009; 1017/027 & 028
Project Sponsor: California 3700, LLC
c/o Tuija Catalano
Reuben, Junius & Rose, LLP
One Bush Street, Suite 600
San Francisco, CA 94104
Property Owner: California 3700, LLC
c/o Prado Group
Staff Contact: Jeff Horn, Senior Planner
jeffrey.horn@sfgov.org, (628) 652-7366

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entirety of this voluminous document.

ADOPTING FINDINGS RELATING TO A CONDITIONAL USE AUTHORIZATION AND PLANNED UNIT DEVELOPMENT (“PUD”) PURSUANT TO PLANNING CODE SECTIONS 209, 303 AND 304 TO PERMIT A PUBLICLY-ACCESSIBLE 4,812-SQUARE FOOT RESTAURANT AND TO ALLOW THE DEMOLITION OF FIVE OF THE SIX EXISTING HOSPITAL BUILDINGS AND CONSTRUCTION OF 19 NEW BUILDINGS, WITH 3-7 STORIES AND HEIGHT OF APPROXIMATELY 40’-80’, AND 488 PARKING SPACES WITHIN THE RH-2 (RESIDENTIAL-HOUSE, TWO-FAMILY) AND RM-2 (RESIDENTIAL - MIXED, MODERATE DENSITY) ZONING DISTRICTS AND 40-X AND 80-E HEIGHT AND BULK DISTRICTS. THE PROJECT IS SEEKING PUD MODIFICATIONS FOR THE REAR YARD, DWELLING UNIT EXPOSURE, MODERATION OF RM-ZONED BUILDING FRONTS, FREIGHT LOADING, BULK LIMITS, AND RESTAURANT USE REQUIREMENTS OF PLANNING CODE SECTIONS 134, 140, 144.1, 151.1, 270, 231, 204.1 AND 304(d)(5).

PREAMBLE

In August 2013, the City and County of San Francisco (hereinafter “the City”) and Sutter West Bay Hospitals (doing business as CPMC), entered into a development agreement (Board File No. 120366) regarding

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

NOTICE OF PUBLIC HEARING
BUDGET AND FINANCE COMMITTEE
BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT the Board of Supervisors of the City and County of San Francisco's Budget and Finance Committee will hold a public hearing to consider the following proposal and said public hearing will be held on the date and time below. At such public hearing all interested parties may attend and comment on the IFP for the proposed California Street Projects (described below):

Date: January 14, 2026

Time: 10:00 a.m.

Location: Legislative Chamber, Room 250, located at City Hall
1 Dr. Carlton B. Goodlett Place, San Francisco, CA

Subject: **File No. 251261.** Resolution approving the Infrastructure Financing Plan for the San Francisco Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street), including the division of taxes set forth therein, an EIFD Acquisition and Financing Agreement, and documents and actions related thereto, as defined herein; and authorizing the filing of a judicial validation action.

The proposed San Francisco Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street) ("EIFD") is anticipated to use incremental property tax revenue generated within the boundary of the EIFD and allocated to it by the City to finance 1) the purchase, construction, expansion, improvement, seismic retrofit or rehabilitation of certain real or other tangible property with an estimated useful life of 15 years or longer that are public capital facilities or projects of communitywide significance that provide significant benefits to the EIFD or the surrounding community, including any directly-related planning and design work (as described below); and 2) the costs described in California Government Code Sections 53398.56, 53398.57 and 53398.58 (as applicable).

The EIFD is intended to provide financial assistance to two mixed-use development projects that are known as the 3333 California Street Project and 3700 California Street Project (collectively, the "California Street Projects").

DATED/POSTED: January 2, 2026

PUBLISHED: January 4, 2026

NOTICE OF PUBLIC HEARING

File No. 251261 - Infrastructure Financing Plan and Related Documents and Actions - San Francisco

Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street)

Hearing Date: January 14, 2026

Page 2

The Board of Supervisors has established the Enhanced Infrastructure Financing District Public Financing Authority No. 1 (“PFA”) as the governing board of certain existing and proposed enhanced infrastructure financing districts under the EIFD Law, including the EIFD described above.

On November 5, 2024, the Board of Supervisors declared its intention to establish the EIFD (as amended in committee, the “Resolution of Intention”). In the Resolution of Intention, the Board of Supervisors designated the PFA to act as the governing board of the EIFD.

On July 17, 2025, the PFA adopted a resolution directing the preparation of an Infrastructure Financing Plan (“IFP”) for the EIFD, which will describe in greater detail the public facilities and other specified projects of communitywide significance to be financed, a financing section specifying the incremental tax revenue of the City to be committed to the EIFD, and other such information and analyses required under the EIFD Law.

On September 11, 2025, the PFA held a public meeting at which staff of the PFA presented the draft IFP and answered questions and considered comments about the draft IFP. The PFA has made the draft IFP available on the following website: <https://sf.gov/departments/eifd-public-financing-authority-no-1>.

The PFA has scheduled and will hold two public hearings on the formation of the EIFD on January 8, 2026, and February 12, 2026, subject to rescheduling, if necessary. At the first public hearing, the PFA will consider any written and oral comments and take action to modify or reject the IFP. Any modifications will be made available on the website identified above.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102 or sent via email (board.of.supervisors@sfgov.org). Information relating to this matter is available in the Office of the Clerk of the Board or the Board of Supervisors’ Legislative Research Center (<https://sfbos.org/legislative-research-center-lrc>). Agenda information relating to this matter will be available for public review on Friday, January 9, 2026.

NOTICE OF PUBLIC HEARING

File No. 251261 - Infrastructure Financing Plan and Related Documents and Actions - San Francisco

Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street)

Hearing Date: January 14, 2026

Page 3

For any questions about this hearing, please contact the Assistant Clerk for the Budget and Finance Committee:

Brent Jalipa (Brent.Jalipa@sfgov.org ~ (415) 554-7712)



Angela Calvillo
Clerk of the Board of Supervisors
City and County of San Francisco

bjj:jec:ams

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SAN FRANCISCO, CA 94102

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE

Ad Description

BJJ - 251261 - EIFD IFP 3333 California - 1/14/26

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO EXAMINER. Thank you for using our newspaper. Please read this notice carefully and call us with ny corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

01/04/2026

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

Table with 2 columns: Description and Amount. Rows include Publication (\$1190.70), Set aside for CCSF Outreach Fund (\$132.30), and Total (\$1323.00).

EXM# 4000080

NOTICE OF PUBLIC HEARING
BUDGET AND FINANCE COMMITTEE
BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO
WEDNESDAY, JANUARY 14, 2026 - 10:00 AM
LEGISLATIVE CHAMBER, ROOM 250, CITY HALL, 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA 94102

NOTICE IS HEREBY GIVEN THAT the Board of Supervisors of the City and County of San Francisco's Budget and Finance Committee will hold a public hearing to consider the following proposal and said public hearing will be held on the date and time below. At such public hearing all interested parties may attend and comment on the IFP for the proposed California Street Projects (described below); File No. 251261. Resolution approving the Infrastructure Financing Plan for the San Francisco Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street), including the division of taxes set forth therein, an EIFD Acquisition and Financing Agreement, and documents and actions related thereto, as defined herein, and authorizing the filing of a judicial validation action. The proposed San Francisco Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street) ("EIFD") is anticipated to use incremental property tax revenue generated within the boundary of the EIFD and allocated to it by the City to finance 1) the purchase, construction, expansion, improvement, seismic retrofit or rehabilitation of certain real or other tangible property with an estimated useful life of 15 years or longer that are public capital facilities or projects of communitywide significance that provide significant benefits to the EIFD or the surrounding community, including any directly-related planning and design work (as described below); and 2) the costs described in California Government Code Sections 53398.56, 53398.57 and 53398.58 (as applicable). The EIFD is intended to provide financial assistance to two mixed-use development projects that are known as the 3333 California Street Project and 3700 California Street Project (collectively, the "California Street Projects"). The Board of Supervisors

has established the Enhanced Infrastructure Financing District Public Financing Authority No. 1 ("PFA") as the governing board of certain existing and proposed enhanced infrastructure financing districts under the EIFD Law, including the EIFD described above. On November 5, 2024, the Board of Supervisors declared its intention to establish the EIFD (as amended in committee, the "Resolution of Intention"). In the Resolution of Intention, the Board of Supervisors designated the PFA to act as the governing board of the EIFD. On July 17, 2025, the PFA adopted a resolution directing the preparation of an Infrastructure Financing Plan ("IFP") for the EIFD, which will describe in greater detail the public facilities and other specified projects of communitywide significance to be financed, a financing section specifying the incremental tax revenue of the City to be committed to the EIFD, and other such information and analyses required under the EIFD Law. On September 11, 2025, the PFA held a public meeting at which staff of the PFA presented the draft IFP and answered questions and considered comments about the draft IFP. The PFA has made the draft IFP available on the following website: https://sf.gov/departments/eifd-public-financing-authority-no-1. The PFA has scheduled and will hold two public hearings on the formation of the EIFD on January 8, 2026, and February 12, 2026, subject to rescheduling, if necessary. At the first public hearing, the PFA will consider any written and oral comments and take action to modify or reject the IFP. Any modifications will be made available on the website identified above. In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102 or sent via email (board.of.supervisors@sfgov.org). Information relating to this matter is available in the



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Office of the Clerk of the Board or the Board of Supervisors' Legislative Research Center (<https://sfbos.org/legislative-research-center-irc>). Agenda information relating to this matter will be available for public review on Friday, January 9, 2026. For any questions about this hearing, please contact the Assistant Clerk for the Budget and Finance Committee: Brent Jalipa (Brent.Jalipa@sfgov.org ~ (415) 554-7712) Angela Calvillo - Clerk of the Board of Supervisors, City and County of San Francisco
EXM-400080#

GOVERNMENT

NOTICE OF PUBLIC HEARING BUDGET AND FINANCE COMMITTEE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JANUARY 14, 2026 - 10:00 AM LEGISLATIVE CHAMBER, ROOM 250 CITY HALL 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA 94102

NOTICE IS HEREBY GIVEN THAT the Board of Supervisors of the City and County of San Francisco's Budget and Finance Committee will hold a public hearing to consider the following proposal and said public hearing will be held at the date and time below. At such public hearing all interested parties may attend and provide comments on the IFP for the Stonestown Project (described below). File No. 251262. Resolution approving the Infrastructure Financing Plan for the San Francisco Enhanced Infrastructure Financing District No. 2 (Stonestown), including the division of taxes set forth therein, an EIFD Acquisition and Financing Agreement, and documents and actions related thereto, as defined herein, and authorizing the filing of a judicial validation action. The proposed San Francisco Enhanced Infrastructure Financing District No. 2 (Stonestown) ("EIFD") is anticipated to use incremental property tax revenue generated within the boundary of the EIFD and allocated to it by the City to finance 1) the purchase, construction, expansion, improvement, seismic retrofit or rehabilitation of certain real or other tangible property with an estimated useful life of 15 years or longer that are public capital facilities or projects of communitywide significance that provide significant benefits to the EIFD or the surrounding community, including any directly-related planning and design work (as described below); and 2) the costs described in California Government Code Sections 53398.56, 53398.57 and 53398.58 (as applicable). The EIFD is intended to provide financial assistance to a mixed-use development project that may include residential, retail, commercial, open space, parking and related uses ("Stonestown Project"). The Board of Supervisors has established the Enhanced Infrastructure Financing District Public Financing Authority No. 2 ("PFA") as the governing board of certain existing and proposed enhanced infrastructure financing districts under the EIFD Law, including the EIFD described above. On July 16, 2024, the Board of Supervisors declared its intention to establish the EIFD (as amended in committee, the "Resolution of Intention"). In the Resolution of Intention, the Board of Supervisors designated the PFA to act as the governing board of the EIFD. On July 17, 2025, the PFA held a public meeting at which staff of the PFA presented the draft IFP and answered questions and considered comments about the draft IFP. The PFA has made the draft IFP available on the following website: <https://sf.gov/departments/eifd-public-financing-authority>. Information relating to this matter is available in the Office of the Clerk of the Board of Supervisors' Legislative Research Center (<https://sfbos.org/legislative-research-center/lrc>). Agenda information relating to this matter will be available for public review on Friday, January 9, 2026. For any questions about this hearing, please contact the Assistant Clerk for the Budget and Finance Committee: Brent Jalipa (Brent.Jalipa@sfgov.org - (415) 554-7712) Angela Calvillo - Clerk of the Board of Supervisors, City and County of San Francisco. **EXM-4000082#**

no-1. The PFA has scheduled and shall hold two public hearings on the formation of the EIFD on January 8, 2026, and February 12, 2026, subject to rescheduling, if necessary. At the first public hearing, the PFA will consider any written and oral comments and take action to modify or reject the IFP. Any modifications will be made available on the website identified above. In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102 or sent via email (board.of.supervisors@sfgov.org). Information relating to this matter is available in the Office of the Clerk of the Board or the Board of Supervisors' Legislative Research Center (<https://sfbos.org/legislative-research-center/lrc>). Agenda information relating to this matter will be available for public review on Friday, January 9, 2026. For any questions about this hearing, please contact the Assistant Clerk for the Budget and Finance Committee: Brent Jalipa (Brent.Jalipa@sfgov.org - (415) 554-7712) Angela Calvillo - Clerk of the Board of Supervisors, City and County of San Francisco. **EXM-4000082#**

NOTICE OF PUBLIC HEARING BUDGET AND FINANCE COMMITTEE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JANUARY 14, 2026 - 10:00 AM LEGISLATIVE CHAMBER, ROOM 250 CITY HALL 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA 94102

NOTICE IS HEREBY GIVEN THAT the Board of Supervisors of the City and County of San Francisco's Budget and Finance Committee will hold a public hearing to consider the following proposal and said public hearing will be held on the date and time below. At such public hearing all interested parties may attend and provide comments on the IFP for the proposed California Street Projects (described below). File No. 251261. Resolution approving the Infrastructure Financing Plan for the San Francisco Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street), including the division of taxes set forth therein, an EIFD Acquisition and Financing Agreement, and documents and actions related thereto, as defined herein; and authorizing the filing of a judicial validation action. The proposed San Francisco Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street) ("EIFD") is anticipated to use incremental property tax revenue generated within the boundary of the EIFD and allocated to it by the City to finance 1) the purchase, construction, expansion, improvement, seismic retrofit or rehabilitation of certain real or other tangible property with an estimated useful life of 15 years or longer that are public capital facilities or projects of communitywide significance that provide significant benefits to the EIFD or the surrounding community, including any directly-related planning and design work (as described below); and 2) the costs described in California Government Code Sections 53398.56, 53398.57 and 53398.58 (as applicable). The EIFD is intended to provide financial assistance to a mixed-use development project that may include residential, retail, commercial, open space, parking and related uses ("Stonestown Project"). The Board of Supervisors has established the Enhanced Infrastructure Financing District Public Financing Authority No. 3 ("PFA") as the governing board of certain existing and proposed enhanced infrastructure financing districts under the EIFD Law, including the EIFD described above. On July 16, 2024, the Board of Supervisors declared its intention to establish the EIFD (as amended in committee, the "Resolution of Intention"). In the Resolution of Intention, the Board of Supervisors designated the PFA to act as the governing board of the EIFD. On July 17, 2025, the PFA held a public meeting at which staff of the PFA presented the draft IFP and answered questions and considered comments about the draft IFP. The PFA has made the draft IFP available on the following website: <https://sf.gov/departments/eifd-public-financing-authority>. Information relating to this matter is available in the Office of the Clerk of the Board of Supervisors' Legislative Research Center (<https://sfbos.org/legislative-research-center/lrc>). Agenda information relating to this matter will be available for public review on Friday, January 9, 2026. For any questions about this hearing, please contact the Assistant Clerk for the Budget and Finance Committee: Brent Jalipa (Brent.Jalipa@sfgov.org - (415) 554-7712) Angela Calvillo - Clerk of the Board of Supervisors, City and County of San Francisco. **EXM-4000080#**

"California Street Projects"). The Board of Supervisors has established the Enhanced Infrastructure Financing District Public Financing Authority No. 1 ("PFA") as the governing board of certain existing and proposed enhanced infrastructure financing districts under the EIFD Law, including the EIFD described above. On November 5, 2024, the Board of Supervisors declared its intention to establish the EIFD (as amended in committee, the "Resolution of Intention"). In the Resolution of Intention, the Board of Supervisors designated the PFA to act as the governing board of the EIFD. On July 17, 2025, the PFA held a public meeting at which staff of the PFA presented the draft IFP and answered questions and considered comments about the draft IFP. The PFA has made the draft IFP available on the following website: <https://sf.gov/departments/eifd-public-financing-authority>. Information relating to this matter is available in the Office of the Clerk of the Board of Supervisors' Legislative Research Center (<https://sfbos.org/legislative-research-center/lrc>). Agenda information relating to this matter will be available for public review on Friday, January 9, 2026. For any questions about this hearing, please contact the Assistant Clerk for the Budget and Finance Committee: Brent Jalipa (Brent.Jalipa@sfgov.org - (415) 554-7712) Angela Calvillo - Clerk of the Board of Supervisors, City and County of San Francisco. **EXM-4000080#**

NOTICE OF REGULAR MEETING SAN FRANCISCO BOARD OF SUPERVISORS BUDGET AND FINANCE COMMITTEE

CITY HALL LEGISLATIVE CHAMBER, ROOM 250 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA 94102

JANUARY 7, 2026 - 10:00 AM

The agenda packet and legislative files are available for review at <https://sfbos.org/legislative-research-center/lrc> in Room 244 at City Hall, or by calling (415) 554-5184. **EXM-4000068#**

NOTICE OF REGULAR MEETING SAN FRANCISCO BOARD OF SUPERVISORS BUDGET AND FINANCE COMMITTEE

CITY HALL LEGISLATIVE CHAMBER, ROOM 250 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA 94102

JANUARY 7, 2026 - 10:00 AM

The agenda packet and legislative files are available for review at <https://sfbos.org/legislative-research-center/lrc> in Room 244 at City Hall, or by calling (415) 554-5184. **EXM-4000068#**

JANUARY 6, 2026 - 2:00 PM

The agenda packet and legislative files are available for review at <https://sfbos.org/legislative-research-center/lrc>, in Room 244 at City Hall, or by calling (415) 554-5184. **EXM-3999241#**

NOTICE OF PUBLIC HEARING BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT the Board of Supervisors of the City and County of San Francisco will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard. **Date:** Tuesday, January 27, 2026 Time: 3:00 p.m. **Location:** Legislative Chamber, Room 250, located at City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102. **Subject:** File No. 251222. Hearing of the Board of Supervisors sitting as a Committee of the Whole on January 27, 2026, at 3:00 p.m., to hold a public hearing to consider an Ordinance approving amendments to the Redevelopment Plan for the Mission Bay South Redevelopment project to increase the maximum building height from 160 feet to 250 feet and to increase the number of dwelling units permitted on the northern one-half of Block 4 East (Assessor's Parcel Block No. 3711, Lot No. 029B) for the development of an affordable housing project; making findings under the California Environmental Quality Act; directing the Clerk of the Board of Supervisors to transmit a copy of the Ordinance upon its enactment to the Successor Agency; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1(b); scheduled pursuant to the Motion in File No. 251221, approved by the Board on December 16, 2025. The Plan Amendment would amend the Redevelopment Plan to increase the total number of Dwelling Units that may be developed within the Mission Bay South Redevelopment Plan Area ("Plan Area") by 250 units and to increase the maximum allowable building height to 250 feet. Both changes are applicable only to the northern one-half of Block 4 East and are intended to facilitate the development of a proposed 100% affordable housing project. The Plan Amendment specifies that the additional height and number of units are only permitted for an affordable housing project. The original legal description of the boundaries of the Plan Area was recorded as follows: the legal description of the Plan Area boundaries was recorded with the San Francisco Office of the Assessor-Recorder on November 18, 1998, as Document No. 98-G470337-00. The legal description of the Plan Area boundaries, as amended, was recorded with the San Francisco Office of the Assessor-Recorder on August 14, 2018, as Document No. 2018-K655138-00. In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments. These comments will be added to the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102 or sent via email (board.of.supervisors@sfgov.org). Information relating to this matter is available in the Office of the Clerk of the Board or the Board of Supervisors' Legislative Research Center (<https://sfbos.org/legislative-research-center/lrc>). Agenda information relating to this matter will be available for public review on Friday, January 9, 2026. For any questions about this hearing, please contact the Assistant Clerk for the Budget and Finance Committee: Brent Jalipa (Brent.Jalipa@sfgov.org - (415) 554-7712) Angela Calvillo - Clerk of the Board of Supervisors, City and County of San Francisco. **EXM-4000080#**

NOTICE OF REGULAR MEETING SAN FRANCISCO BOARD OF SUPERVISORS BUDGET AND FINANCE COMMITTEE

CITY HALL LEGISLATIVE CHAMBER, ROOM 250 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA 94102

JANUARY 7, 2026 - 10:00 AM

The agenda packet and legislative files are available for review at <https://sfbos.org/legislative-research-center/lrc> in Room 244 at City Hall, or by calling (415) 554-5184. **EXM-4000068#**

matter will be available for public review on Friday, January 23, 2026. Angela Calvillo, Clerk of the Board of Supervisors City and County of San Francisco. **EXM-3999241#**

FICTITIOUS BUSINESS NAMES

FICTITIOUS BUSINESS NAME STATEMENT
File No. M-302414
The following person(s) is (are) doing business as: PACIFIC SUPPLY, 4290 ROSEVILLE ROAD, NORTH HIGHLANDS, CA 95660 County of SACRAMENTO
Mailing Address: 10811 INTERNATIONAL DRIVE, RANCHO CORDOVA, CA 95670
PACIFIC COAST SUPPLY, LLC, 10811 INTERNATIONAL DRIVE, RANCHO CORDOVA, CA 95670
This business is conducted by Limited Liability Company, State of Organization: NEVADA
The registrant(s) commenced to transact business under the fictitious business name or names listed above on 10/19/2020.
I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false is guilty of a crime.)
S/ Lisa Goepner - CHIEF FINANCIAL OFFICER
This statement was filed with the County Clerk of San Mateo County on 12/12/2025.
Mark Church, County Clerk HENRY SARGADO, Deputy Original
12/14, 12/21, 12/28/25, 1/4/26
NPEN-3997815# EXAMINER - BOUTIQUE & VILLAGER

FICTITIOUS BUSINESS NAME STATEMENT
File No. M-302393
The following person(s) is (are) doing business as: OUTTA POCKET GAMES, 902 STONY HILL ROAD, REDWOOD CITY, CA 94061, MAILING ADDRESS: 700 EL CAMINO REAL, SUITE 120, #1465, MENLO PARK, CA 94025
This business is conducted by AN INDIVIDUAL
The registrant(s) commenced to transact business under the fictitious business name or names listed above on N/A.
I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false is guilty of a crime.)
S/ KARL NUECKEL OWNER
This statement was filed with the County Clerk of San Mateo County on 12/11/2025.
Mark Church, County Clerk HENRY SARGADO, Deputy Original
12/14, 12/21, 12/28/25, 1/4/26
NPEN-3994839# EXAMINER - BOUTIQUE & VILLAGER

FICTITIOUS BUSINESS NAMES

FICTITIOUS BUSINESS NAME STATEMENT
File No. M-302393
The following person(s) is (are) doing business as: FIG AND FETA CHARCUTERIE, 1118 HOLLYBURNE AVE, MENLO PARK, CA 94025 County of SAN MATEO
JONATHAN HAWKINS, 1118 HOLLYBURNE AVE, MENLO PARK, CA 94025
This business is conducted by an individual.
The registrant(s) commenced to transact business under the fictitious business name or names listed above on 06/20/2025.
I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false is guilty of a crime.)
S/ JONATHAN HAWKINS
This statement was filed with the County Clerk of San

FICTITIOUS BUSINESS NAME STATEMENT

FICTITIOUS BUSINESS NAME STATEMENT
File No. M-302319
The following person(s) is (are) doing business as: FIG AND FETA CHARCUTERIE, 1118 HOLLYBURNE AVE, MENLO PARK, CA 94025 County of SAN MATEO
JONATHAN HAWKINS, 1118 HOLLYBURNE AVE, MENLO PARK, CA 94025
This business is conducted by an individual.
The registrant(s) commenced to transact business under the fictitious business name or names listed above on 06/20/2025.
I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false is guilty of a crime.)
S/ JONATHAN HAWKINS
This statement was filed with the County Clerk of San

Mateo County on 12/02/2025.
Mark Church, County Clerk HENRY SARGADO, Deputy Original
12/14, 12/21, 12/28/25, 1/4/26
NPEN-3988048# EXAMINER - BOUTIQUE & VILLAGER

FICTITIOUS BUSINESS NAME STATEMENT

FICTITIOUS BUSINESS NAME STATEMENT
File No. M-302318
The following person(s) is (are) doing business as: VALGO, 635 UNIVERSITY DR, MENLO PARK, CA 94025
This business is conducted by a Corporation(s) commenced to transact business under the fictitious business name or names listed above on 06/24/2025.
I declare that all information in this statement is true and correct. (A registrant who declares as true information which he or she knows to be false is guilty of a crime.)
VALGORTHMIC INC., S/ ROBERT MOSS, CEO
This statement was filed with the County Clerk of San Mateo County on 12/02/2025.
Mark Church, County Clerk HENRY SARGADO, Deputy Original
12/14, 12/21, 12/28/25, 1/4/26
NPEN-3978715# EXAMINER - BOUTIQUE & VILLAGER

PUBLIC AUCTION/SALES

ADVERTISEMENT OF SALE
Property described below will be sold per the California SelfService Storage Facility Act. Sale on Tuesday the 13th day of January, 2026 at 10:00 AM with bidding to take place on lockerfox.com. Payment and pickup at facility, U-Haul Moving & Storage of Belmont, 554 El Camino Real, Belmont, CA, 94002; charles williams, Roberto Avalos, DAWN DEE, charles williams, DAWN DEE 12/28/25, 1/4/26
NPEN-3994784# EXAMINER - BOUTIQUE & VILLAGER

ADVERTISEMENT OF SALE
Property described below will be sold per the California SelfService Storage Facility Act. Sale on Tuesday the 13th day of January, 2026 at 9:00 AM with bidding to take place on lockerfox.com. Payment and pickup at facility, U-Haul Moving & Storage of Redwood City, 2200 El Camino Real, Redwood City, CA, 94063; KENNETH MARTIN 1/4/26
NPEN-3994781# EXAMINER - BOUTIQUE & VILLAGER

TRUSTEE SALES

Trustee Sale No. 25-08-1101
Loan No. Title Order No. 2686412CAD APN 027-301-030. YOU ARE IN DEFAULT UNDER A DEED OF TRUST DATED 04/15/2024. UNLESS YOU TAKE ACTION TO PROTECT YOUR PROPERTY, IT MAY BE SOLD AT A PUBLIC SALE. IF YOU NEED AN EXPLANATION OF THE NATURE OF THE PROCEEDINGS AGAINST YOU, YOU SHOULD CONTACT A LAWYER. On 01/07/2026 at 1:00PM, Jason Fuz Wu as the duly appointed Trustee under and pursuant to Deed of Trust Recorded on 04/25/2024 as Instrument No. 2024-021365 of official records in the Office of the Recorder of San Mateo County, California, executed by: Aiyun Wu, a married woman as her sole and separate property, as Trustor, WILL SELL AT PUBLIC AUCTION TO THE HIGHEST

BIDDER FOR CASH (payable at time of sale in lawful money of the United States, by cash, a cashier's check drawn by a state or national bank, a check drawn by a state or federal credit union, or a check drawn by a state or federal savings and loan association, savings association, or savings bank specified in section 5102 of the Financial Code and authorized to do business in this state). AT: AT THE MARSHALL STREET ENTRANCE TO THE HALL OF JUSTICE AND RECORDS, 400 COUNTY CENTER, REDWOOD CITY, CA 94063, all right, title and interest conveyed to and now held by it under said Deed of Trust in the property situated in said County, California describing the land therein: AS MORE FULLY DESCRIBED IN SAID DEED OF TRUST. The property heretofore described is being sold "as is". The street address and other common designation, if any, of the real property described above is purported to be: 20 Kinder Lane, Hillsborough, CA 94010. The undersigned Trustee disclaims any liability for any incorrectness of the street address and other common designation, if any, shown herein. If no street address or other common designation is shown, directions to the location of the property may be obtained by sending written request to the beneficiary within 10 days of the date of first publication of this Notice of Sale. Said sale will be made, but without covenant or warranty, expressed or implied, regarding title, possession, or encumbrances, to pay the remaining principal sum of the note(s) secured by said Deed of Trust, with interest thereon, as provided in said note(s), advances, if any, under the terms of the Deed of Trust, estimated fees, charges, and expenses of the Trustee and of the trusts created by said Deed of Trust, to-wit: \$1,442,799.74 (Estimated). Accrued interest and additional advances, if any, will increase the figure prior to sale. The Beneficiary may elect to bid less than the full credit bid. The beneficiary under said Deed of Trust heretofore executed and delivered to the undersigned a written Declaration of Default and Demand for Sale, and a written Notice of Default and Election to Sell. The undersigned caused said Notice of Default and Election to Sell to be recorded in the county where the real property is located and more than three months have elapsed since such recordation. NOTICE TO POTENTIAL BIDDERS: If you are considering bidding on this property lien, you should understand that there are risks involved in bidding at a trustee auction. You will be bidding on a lien, not on the property itself. Placing the highest bid at a trustee auction does not automatically entitle you to free and clear ownership of the property. You should also be aware that the lien being auctioned off may be a junior lien. If you are the highest bidder at the auction, you are or may be responsible for paying off all liens senior to the lien being auctioned off, before you can receive clear title to the property. You are encouraged to investigate the existence, priority, and size of outstanding liens that may exist on this property by contacting the county recorder's office or a title insurance company, either of which may charge you a fee for this information. If you consult either of these resources, you should be aware that the same lender may hold more than one mortgage or deed of trust on the property. If the Trustee is unable to convey title or the sale is set aside for any reason, the successful bidder shall have no other recourse against the Trustor, the Beneficiary, or the Trustee except for a full refund of monies paid to the Trustee at the sale. NOTICE TO PROPERTY OWNER: The sale date shown on this notice of sale may be

postponed one or more times by the mortgagee, beneficiary, trustee, or a court, pursuant to Section 2924g of the California Civil Code. The law requires that information about trustee sale postponements be made available to you and to the public as a courtesy to those not present at the sale. If you wish to learn whether your sale date has been postponed, and, if applicable, the rescheduled time and date for the sale of this property, you may call (626) 579-5350 or visit www.lendersforeclosureservices.com, using the file number assigned to this case 25-08-1101. Information about postponements that are very short in duration or that occur close in time to the scheduled sale may not immediately be reflected in the telephone information or on the internet Web site. The best way to verify postponement information is to attend the scheduled sale. If you are the owner of a residential real property containing no more than four dwelling units, the sale date shown on this notice of sale may be postponed ONCE for 45 days pursuant to Section 2924f of the California Civil Code, if the trustee receives from you, by certified mail with the United States Postal Service or by another overnight mail courier service with tracking information that confirms the recipient's signature and the date and time of receipt and delivery, a listing agreement with a California licensed real estate broker to be placed in a publicly available marketing platform for the sale of the property. If the trustee receives, at least five business days before the scheduled date of sale, from the borrower, a copy of a purchase agreement for the sale of the property, the trustee shall postpone the scheduled date of sale to a date that is at least 45 days after the date on which the purchase agreement was received by the trustee. NOTICE TO TENANT: You may have a right to purchase this property after the trustee auction pursuant to Section 2924m of the California Civil Code. If you are an "eligible tenant buyer," you can purchase the property if you match the last and highest bid placed at the trustee auction. If you are an "eligible bidder," you may be able to purchase the property if you exceed the last and highest bid placed at the trustee auction. There are three steps to exercising this right of purchase. First, 48 hours after the date of the trustee sale, you can call 626-579-5350 or visit this internet website www.lendersforeclosureservices.com using the file number assigned to this case 25-08-1101 to find the date on which the trustee's sale was held, the amount of the last and highest bid, and the address of the trustee. Second, you must send a written notice of intent to place a bid so that the trustee receives it no more than 15 days after the trustee's sale. Third, you must submit a bid so that the trustee receives it no more than 45 days after the trustee's sale. If you think you may qualify as an "eligible tenant buyer" or "eligible bidder," you should consider contacting an attorney or appropriate real estate professional immediately for advice regarding this potential right to purchase. 12/8/25 Jason Fuz Wu, as Trustee c/o Lender's Foreclosure Services 2158 Durfee Ave El Monte, CA 91733 (626)-579-5350 www.lendersforeclosureservices.com 12/21, 12/28/25, 1/4/26 **SPEN-3997138# EXAMINER & SAN MATEO WEEKLY**

Stop cleaning out your gutters this season

LeafFilter GUTTER PROTECTION

EXPIRES: 11/30/2025

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AN ADDITIONAL +10% Discount For Seniors + Military

Get a FREE full gutter inspection and estimate: 1-866-240-9382

1. We Clean 2. We Reinforce 3. We Install

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Promo: 285

+See Representative for full warranty details. *Promotional offer 15% off plus an additional 10% off for qualified veterans and/or seniors. No obligation estimate valid for 1 year. 1Subject to credit approval. Call for details. AR 366920923, AZ ROC 344027, CA 1035795, CT HIC.0671520, FL CBC056678, IA C127230, ID RCE-51604, LA 559544, MA 176447, MD MHIC111225, MI 262300173, 262300318, 262300328, 262300329, 262300330, 262300331, MN IR731804, MT 226192, ND 47304, NE 50145-22, 50145-23, NJ 13VH09953900, NM 408693, NV 86990, NY H-19114, H-52229, OR 218294, PA 179643, 069383, RI GC-41354, TN 10981, UT 10783658-5501, VA 2705169445, WA LEAFFNW822JZ, WV WV056912.

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

PROOF OF MAILING

Legislative File Nos. 251261 and 251262

Description of Items: Notices - Infrastructure Financing Plan and Related Documents and Actions:

- San Francisco Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street) (Two Notices)
- San Francisco Enhanced Infrastructure Financing District No. 2 (Stonestown) (Three Notices)

I, Brent Jalipa, an employee of the City and County of San Francisco, mailed the above described document(s) by depositing the sealed items with the United States Postal Service (USPS) with the postage fully prepaid as follows:

Date: January 6, 2026

Time: 11:46 a.m.

USPS Location: Repro Pick-up Box in the Clerk of the Board's Office (Rm 244)

Mailbox/Mailslot Pick-Up Times (if applicable): N/A

Signature: _____

Instructions: Upon completion, original must be filed in the above referenced file.

OFFICE OF THE MAYOR
SAN FRANCISCO



DANIEL LURIE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Adam Thongsavat, Liaison to the Board of Supervisors
RE: Resolution Approving the Infrastructure Financing Plan and Related Documents and Actions –
San Francisco Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street)]
DATE: December 16, 2025

Resolution approving the Infrastructure Financing Plan for the San Francisco Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street), including the division of taxes set forth therein, an EIFD Acquisition and Financing Agreement, and documents and actions related thereto, and authorizing the filing of a judicial validation action.

Should you have any questions, please contact Adam Thongsavat at adam.thongsavat@sfgov.org