REVOCABLE PERMIT TO ENTER AND USE PROPERTY

by and between

CITY AND COUNTY OF SAN FRANCISCO

and

1979 Mission Street PSH Associates, L.P. Permittee

to enter and use property located at

San Francisco, California

_____, 2025

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CITY AND COUNTY OF SAN FRANCISCO REVOCABLE PERMIT TO ENTER AND USE PROPERTY

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THIS REVOCABLE PERMIT TO ENTER AND USE PROPERTY (this "Permit"),
dated for reference purposes only as of, 2025, is made by and between the CITY
AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City") and 1979 MISSION
STREET PSH ASSOCIATES, L.P., a California limited partnership ("Permittee").

City and Permittee agree as follows:

1. LICENSE

City grants to Permittee a revocable, personal, unassignable, non-exclusive, and non-possessory privilege to enter on and use that certain real property owned by City located at ________, San Francisco, CA 94103, (Assessor's Parcel Number [Block 3553, Lot 052)] in the City and County of San Francisco, more particularly shown in **Exhibit A** attached to this Permit (the "**Permit Area**"), for the limited purpose and subject to the terms, conditions and restrictions set forth below. This Permit gives Permittee a license only, revocable at any time at the will of City and nothing in this Permit constitutes a grant by City of any ownership, leasehold, easement, or other property interest or estate whatsoever in the Permit Area, or any portion of it. The privilege given to Permittee under this Permit is effective only to the extent of City's rights in the Permit Area, and Permittee will obtain any further permission necessary because of any other existing rights affecting the Permit Area. For purposes of this Permit, "Permittee" means, collectively, Permittee and its Agents and Invitees (as each term is defined under Section 20) that access and use the Permit Area under this Permit as set forth in Section 3.

2. USE OF PERMIT AREA

2.1 Scope of Permitted Use

Permittee may enter and use the Permit Area for the sole purpose of temporary access to the Permit Area by [temporary workers and vehicles and for storage and staging of equipment] in connection with Permittee's demolition of the existing improvements and construction of a new affordable housing project at the adjacent property located at 2970 16th Street (Assessor's Parcel Number Block [3553, Lot 052)], more particularly shown in **Exhibit B** and for no other purpose whatsoever. At least three days before commencing any work within the Permit Area, Permittee will notify Jenny Collins, Project Manager, SF MOHCD at jennifer.m.collins@sfgov.org, or (415) 244-3243 of the date such work will commence and the intended schedule. Permittee will schedule a site walk with a City representative to confirm the Permit Area is being returned in acceptable condition.

2.2 Compliance with Loan Agreement.

The City, acting through the Mayor's Office of Housing and Community Development ("MOHCD"), and Permittee have entered into that certain Amended and Restated Loan Agreement dated concurrently herewith ("Loan Agreement") for the purpose of Permittee receiving a loan to undertake the permitted activities described in Section 2.1. Permittee shall comply with the terms of the Loan Agreement regarding Permittee's use of the Permit Area under this Permit. If there is any conflict between the Loan Agreement and this Permit, the Loan Agreement shall control.

2.3 Exercise Duty of Care

Permittee will use, and will cause its Agents and Invitees (as each is defined in Section 20 below) to use, due care at all times to avoid any damage or harm to City's property and to native vegetation and natural attributes of the Permit Area and to minimize slope erosion. Permittee will take such soil and resource conservation and protection measures with the Permit Area as City may request. City has the right to approve and supervise any excavation work. Permittee will do everything reasonably within its power, both independently and on request by City, to prevent and suppress fires on and adjacent to the Permit Area attributable to Permittee's actions or inactions. During the Term, Permittee will be solely responsible for maintaining any facilities, equipment, supplies, or other item placed in or on the Permit Area in good and safe condition, and City will have no duty whatsoever for any maintenance of the Permit Area or any such facilities, equipment, supplies, or other items in the Permit Area.

2.4 Cooperation with City Personnel

Permittee and its Agents will work closely with City personnel to minimize any potential disturbance (even if temporary) of the natural features of the Permit Area and to avoid disruption (even if temporary) of City property in, under, on, or about the Permit Area and City uses of the Permit Area. The Permit Area must be screened with temporary fencing to keep the Permit Area secure and to reduce visual impact. In the event of inquiries from the public, Permittee and its Agents shall refer public inquiries to Jenny Collins, Project Manager, SF MOHCD at jennifer.m.collins@sfgov.org, or (415) 244-3243.

2.5 Restoration of Permit Area

If Permittee or its Agents have made any alterations or modifications to the Permit Area (with the prior written approval of the City), Permittee will restore the Permit Area to its condition immediately before Permittee's use, to the satisfaction of City.

3. ENTRY UNDER PERMITTEE'S AUTHORITY.

This Permit granted to Permittee shall include Permittee's Agents and Invitees (as each term is defined under Section 20) identified in **Exhibit C**, attached hereto and incorporated herein. Permittee shall include, or cause to be included, in any agreement with such Agents and/or Invitees, that such Agents and/or Invitees shall be bound by the terms and conditions of this Permit. Permittee shall deliver written notice to City of any changes in the Agents and/or Invitees who will enter upon the Permit Area, and within four (4) calendar days of such written notice of any change, Permittee shall deliver to the City an updated list under **Exhibit C** of

Agents and/or Invitees. Unless City provides written notice to Permittee of its rejection of an updated **Exhibit C** within four (4) business days of receipt, the updated **Exhibit C** will be deemed approved and incorporated herein. Permittee assumes all responsibility for the safety of all persons and property on the Permit Area pursuant to this Permit. All work performed in the Permit Area and all persons entering the Permit Area and all property and equipment placed therein in furtherance of the permission granted herein is presumed to be with the express authorization of Permittee.

4. RESTRICTIONS ON USE

Permittee acknowledges that the following uses of the Permit Area by Permittee or any other person claiming by or through Permittee are inconsistent with the limited purpose of this Permit and are strictly prohibited. The uses listed below are not exclusive and this Section does not limit the City's authority to specify additional restrictions on the use of the Permit Area, in City's sole discretion.

4.1 Improvements

Except as otherwise expressly provided in this Permit, Permittee may not construct or place any temporary or permanent structures or improvements on the Permit Area, and Permittee will not alter any existing structures or improvements on the Permit Area.

4.2 Dumping

Permittee may not dump or dispose of refuse or other unsightly materials on, in, under, or about the Permit Area.

4.3 Hazardous Material

Permittee will not cause, and Permittee will not allow any of its Agents or Invitees (as defined in Section 20 below) to cause, any Hazardous Material (as defined below) to be brought on, kept, used, stored, generated, or disposed of in, on, or about the Permit Area, or transported to or from the Permit Area. Permittee will immediately notify City when Permittee learns of or has reason to believe that a release of Hazardous Material has occurred in, on, or about the Permit Area. Permittee will comply with all laws requiring notice of releases or threatened releases to governmental agencies, and will take all action necessary to mitigate the release or minimize the spread of contamination. If Permittee or its Agents or Invitees cause a release of Hazardous Material, Permittee will, without cost to City and in accordance with all laws and regulations, restore the Permit Area to the condition immediately before the release. In connection with the release and restoration of the Permit Area, Permittee will give City a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, or other compromise proceeding involving Hazardous Material. "Hazardous Material" means material that, because of its quantity, concentration, or physical or chemical characteristics, is at any time deemed by any federal, state, or local governmental authority to pose a present or potential hazard to public health, welfare, or the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seg., or under California Health & Safety Code Section 25316; a

"hazardous waste" listed under California Health & Safety Code Section 25140; any asbestos and asbestos containing materials whether or not those materials are part of the Permit Area or are naturally occurring substances in the Permit Area, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "release" or "threatened release" when used with respect to Hazardous Material includes any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under, or about the Permit Area.

4.4 Nuisances

Permittee will not conduct any activities on or about the Permit Area that constitute waste, nuisance, or unreasonable annoyance (including, without limitation, emission of objectionable odors, noises, or lights) to City, to the owners or occupants of neighboring property or to the public.

4.5 Damage

Permittee will not do anything about the Permit Area that will cause damage to any of City's property.

5. RESERVED

6. PERMIT FEES

Permittee will pay to City a one-time non-refundable permit fee of \$1 to cover City's processing, inspection, and other administrative costs. The fee is payable at the same time Permittee signs and delivers this Permit to City. Payment must be made in cash or by good check payable to the City and County of San Francisco and delivered to City's Director of Property at the primary address for notices to City specified below, or any other place that City may designate in writing.

7. TERM OF PERMIT; REVOCABILITY

The privilege given to Permittee under this Permit is temporary only and will commence on _______, 20____,] ("Commencement Date"), and will expire at 5:00 p.m. on the third (3rd) anniversary of the Commencement Date, unless sooner terminated. At the written request of Permittee, City may grant an extension of the term of this Permit of up to one year for the purpose of completing construction of the affordable housing (as described under the Loan Agreement), provided that this Permit shall expire no later than the conversion of Permitee's construction financing into permanent financing. Without limiting any of its rights under this Permit, City may at its sole option freely revoke this Permit at any time before the expiration date, without cause and without any obligation to refund any part of any fee or other charge paid under this Permit or pay any consideration to Permittee.

8. INSURANCE

- (a) Permittee will procure and keep in effect at all times during the term of this Permit, at Permittee's expense, and cause its contractors and subcontractors to maintain at all times during any work or construction activities on the Permit Area insurance as follows:
- (i) General Liability Insurance with limits not less than Two Million Dollars (\$2,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage, including coverages for Contractual Liability, Personal Injury, Independent Permittees, Explosion, Collapse and Underground (XCU), Broad Form Property Damage, Sudden and Accidental Pollution, Products Liability and Completed Operations;
- (ii) Automobile Liability Insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage, including coverages for owned, non-owned and hired automobiles, as applicable, and Sudden and Accidental Pollution; and
- (iii) Workers' Compensation Insurance with Employer's Liability Coverage with limits of not less than One Million Dollars (\$1,000,000) each accident.
- (b) All liability policies must provide for the following: (i) name as additional insureds the City and County of San Francisco, its officers, agents, and employees; and (ii) specify that the policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Permit and that insurance applies separately to each insured against whom claim is made or suit is brought. The policies must also provide for severability of interests and that an act or omission of one of the named insureds that would void or otherwise reduce coverage will not reduce or void the coverage as to any insured, and will afford coverage for all claims based on acts, omissions, injury, or damage that occurred or arose (or the onset of which occurred or arose) in whole or in part during the policy period. Sudden and accidental pollution coverage in the liability policies required by this Permit will be limited to losses resulting from Permittee's activities (and Permittee's Agents and Invitees) under this Permit (excluding non-negligent aggravation of existing conditions with respect to Hazardous Materials).
- (c) All insurance policies Permittee is required to maintain must be endorsed to provide for thirty (30) days' prior written notice of cancellation for any reason, non-renewal, or reduction in coverage to both Permittee and City. Notice to City will be mailed to the address(es) for City set forth in <u>Section 39</u> below.
- (d) Before the commencement date of this Permit, Permittee will deliver to City certificates of insurance and additional insured policy endorsements from insurers in a form satisfactory to City, evidencing the coverages required, together with complete copies of the policies at City's request. If Permittee fails to procure the required insurance, or to deliver the policies or certificates, then City may procure the required insurance for the account of Permittee, and Permittee will pay the cost of those policies will to City within five (5) days after delivery an invoice.
- (e) If any of the required insurance is provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense

costs be included in the general annual aggregate limit, then the general aggregate limit must be double the occurrence or claims limits specified above.

- (f) If any of the required insurance is provided under a claims made form, then Permittee will maintain that coverage continuously throughout the term of this Permit and, without lapse, for a period of three (3) years beyond the Permit expiration, to the effect that, if any occurrences during the Permit term give rise to claims made after expiration of the Permit, then those claims will be covered by the claims-made policies.
- (g) On City's request, Permittee and City will periodically review the limits and types of insurance carried under this Section. If the general commercial practice in the City and County of San Francisco is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by Permittee for risks comparable to those associated with the Permit Area, then City in its sole discretion may require Permittee to increase the amounts or coverage carried by Permittee to conform to the general commercial practice.
- (h) Permittee's compliance with the provisions of this Section will in no way relieve or decrease Permittee's indemnification obligations under this Permit or any of Permittee's other obligations under this Permit. Notwithstanding anything to the contrary in this Permit, this Permit will terminate immediately, without notice to Permittee, on the lapse of any required insurance coverage. Permittee will be responsible, at its expense, for separately insuring Permittee's personal property.

Notwithstanding the foregoing, Permittee and its Agents shall comply with the insurance requirements under the Loan Agreement, and if there is any conflict between the Loan Agreement and this Section 8, the insurance requirements under the Loan Agreement shall control.

9. RESERVED

10. COMPLIANCE WITH LAWS

Permittee will, at its expense, conduct and cause to be conducted all activities on the Permit Area in a safe and prudent manner and in compliance with all laws, regulations, codes, ordinances, and orders of any governmental or other regulatory entity (including, without limitation, the Americans with Disabilities Act and any other disability access laws), whether presently in effect or subsequently adopted and whether or not in the contemplation of the parties. Permittee will, at its sole expense, procure and maintain in force at all times during its use of the Permit Area any and all business and other licenses or approvals necessary to conduct the activities allowed under this Permit. Permittee understands and agrees that City is entering into this Permit in its capacity as a property owner with a proprietary interest in the Permit Area and not as a regulatory agency with police powers. Nothing in this Permit will limit in any way Permittee's obligation to obtain any required regulatory approvals from City departments, boards, or commissions or other governmental regulatory authorities or limit in any way City's exercise of its police powers.

11. COVENANT TO MAINTAIN PERMIT AREA

In connection with its use of the Permit Area, Permittee will at all times, at its sole cost, maintain the Permit Area in a good, clean, safe, secure, sanitary, and sightly condition.

12. REMOVAL OF IMPROVEMENTS

Without limiting any of City's other rights under this Permit or otherwise, Permittee will promptly, at City's request, alter or remove at no cost to City all improvements or other property installed or placed in, on, under, or about the Permit Area by or for Permittee, as may be necessary to avoid any actual or potential interference with any public utilities now or later installed in, on, under, or about the Permit Area, with the maintenance or repair the Permit Area or those utilities, or otherwise with any public trust uses or any other municipal operations or uses by City. In the event of an emergency City may, at its sole option and without notice, alter, remove, or protect at Permittee's sole expense, any and all facilities, improvements, plantings, or other property installed or placed in, on, under, or about the Permit Area by Permittee.

13. SURRENDER

On the expiration of this Permit or within ten (10) days after any other termination of this Permit, Permittee will surrender the Permit Area in the same condition as received, and broom clean, free from hazards, and clear of all debris, and Permittee will remove all of its property from the Permit Area and any signs or any other improvements permitted under this Permit, and will repair, at no cost to City, any damage to the Permit Area caused by that removal. Permittee's obligations under this Section will survive any termination of this Permit.

14. WAIVER OF CLAIMS; INDEMNIFICATION

(a) Limitation on City's Liability; Waiver of Claims

City will not be responsible for or liable to Permittee, and Permittee hereby assumes the risk of, and waives and releases City and its Agents from all Claims (as defined in Section 20), whether direct or indirect, known or unknown, foreseen or unforeseen, arising out of any of the following: (a) injury to or death of any person; or (b) loss of, injury or damage to, or destruction of any tangible or intangible property, including the resulting loss of use, economic losses, and consequential or resulting damage of any kind from any cause, including building defects, building system malfunctions or failures, and other property conditions. Nothing in this Section will relieve City from liability caused solely and directly by the active gross negligence or willful misconduct of City or its Agents, but City will not be liable under any circumstances for any consequential, incidental, or punitive damages.

Permittee understands and expressly accepts and assumes the risk that any facts concerning the Claims released in this Permit might be found later to be other than or different from the facts now believed to be true, and agrees that the releases in this Permit shall remain effective. Therefore, with respect to the Claims released in this Permit, Permittee waives any rights or benefits provided by Section 1542 of the Civil Code, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO

EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Permittee acknowledges that this Section was negotiated with City, that the consideration for it is fair and adequate, that Permittee understands the consequences of the release, and that Permittee had a fair opportunity to negotiate, accept, reject, modify, or alter it. The provisions of this Section will survive the expiration or termination of this Permit.

- (b) Permittee acknowledges that this Permit is freely revocable by City and in view of that fact, Permittee expressly assumes the risk of making any expenditures in connection with this Permit, even if the expenditures are substantial. Without limiting any indemnification obligations of Permittee or other waivers contained in this Permit and as a material part of the consideration for this Permit, Permittee fully RELEASES, WAIVES, AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue, City, its Agents, and all persons acting by, through or under each of them, under any present or future laws, statutes, or regulations, including, but not limited to, any claim for inverse condemnation or the payment of just compensation under the law of eminent domain, or otherwise at equity, if City exercises its right to revoke or terminate this Permit.
- (c) Permittee acknowledges that it will not be a displaced person at the time this Permit is terminated or revoked or expires by its own terms, and Permittee fully RELEASES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue, City, its Agents, and all persons acting by, through or under each of them, under any present or future laws, statutes, or regulations, including, without limitation, any and all claims for relocation benefits or assistance from City under federal and state relocation assistance laws.

Permittee expressly acknowledges and agrees that the fees payable under this Permit do not take into account any potential liability of City for any consequential, special, or incidental damages including, but not limited to, lost profits and any other damages relating to or arising from the inability of Permittee to use the Permit Area for the purposes intended under this Permit, or arising out of disruption to the facilities or Permittee's uses under this Permit. City would not be willing to give this Permit in the absence of a complete waiver of liability for consequential, special, and incidental damages due to the acts or omissions of City or its Agents, and Permittee expressly assumes all risk with respect thereto. Accordingly, without limiting any indemnification obligations of Permittee or other waivers contained in this Permit and as a material part of the consideration for this Permit, Permittee fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential, special, and incidental damages (including without limitation, lost profits and or any other damages relating to or arising from the inability of Permittee to use the Permit Area of for the purposes intended under this Permit), and covenants not to sue for such damages, City, its Agents, and all persons acting by, through or under each of them, arising out of this Permit or the uses authorized under this Permit, including, without limitation, any interference with uses conducted by Permittee under this Permit, regardless of the cause, and whether or not due to the negligence or gross negligence of City or its Agents.

(d) In connection with the foregoing releases, Permittee acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Permittee acknowledges that the releases contained in this Permit includes all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Permittee acknowledges that foregoing releases were negotiated with City, that the consideration for it is fair and adequate, that Permittee understands their consequences and had a fair opportunity to negotiate, accept, reject, modify, or alter them, and that Permittee has agreed to this Permit with full knowledge of these releases and their effect. Being fully aware of the consequences, Permittee intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The releases contained in this Permit will survive any termination of this Permit.

15. REPAIR OF DAMAGE

If any portion of the Permit Area or any property of City located on or about the Permit Area is damaged by Permittee, its Agents or Invitees or as a result of any activities conducted by Permittee, its Agents or Invitees, Permittee will immediately, at no cost to City, repair any and all the damage and restore the Permit Area or property to its previous condition.

16. SIGNS

Permittee will not place, erect, or maintain any sign, advertisement, banner, or similar object on or about the Permit Area, except for any temporary sign that is necessary for Permittee's use so long as Permittee first obtains City's written consent, which City may give or withhold in its sole discretion.

17. UTILITIES

City has no responsibility or liability of any kind for any utilities that may be on, in, or under the Permit Area. Permittee has the sole responsibility to locate all utilities and protect them from damage. Permittee will arrange and pay for any necessary temporary relocation of City and public utility company facilities, subject to the prior written approval by City and any utility companies for any relocation. Permittee will be solely responsible for arranging and paying directly for any utilities or services necessary for its activities; provided, however, that under San Francisco Administrative Code Section 99.3, Permittee will only receive electricity at the Permit Area from the San Francisco Public Utilities Commission ("SFPUC") unless SFPUC determines that the service is not feasible.

18. CITY'S RIGHT TO CURE PERMITTEE DEFAULTS

If Permittee fails to perform any of its obligations under this Permit, to restore the Permit Area or repair damage, or if Permittee defaults in the performance of any of its other obligations

under this Permit, then City may, at its sole option, remedy the failure for Permittee's account and at Permittee's expense by providing Permittee with three (3) days' prior written or oral notice of City's intention to cure the default (except that no prior notice will be required in an emergency as determined by City). No actions taken by City will be construed as a waiver of any rights or remedies of City under this Permit or otherwise, and nothing in this Permit will imply any duty of City to do any act that Permittee is obligated to perform. Permittee will pay to City on demand, all costs, damages, expenses, or liabilities incurred by City, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy the default. Permittee's obligations under this Section will survive the termination of this Permit.

19. NO COSTS TO CITY

Permittee will bear all costs or expenses of any kind or nature in connection with its use of the Permit Area, and will keep the Permit Area free and clear of any liens or claims of lien arising out of or in any way connected with its use of the Permit Area.

20. INDEMNITY

Permittee will indemnify, defend, and hold harmless City, its commissions, departments, boards, officers, agents, employees, contractors or subcontractors (collectively, "Agents"), and each of them, from and against all demands, claims, legal or administrative proceedings, losses, costs, expenses, penalties, fines, liens, judgments, settlements, damages, and liabilities, including direct and vicarious liability of every kind (collectively, "Claims"), incurred in connection with or arising in any manner out of (a) any injury to or death of any person or damage to or destruction of any property occurring in, on, or about the Permit Area, or any part of it, whether the person or property of Permittee, its Agents, its invitees, guests, or business visitors (collectively, "Invitees"), or third persons, relating in any manner to any use or activity by Permittee; (b) any failure by Permittee to faithfully observe or perform any of the terms, covenants, or conditions of this Permit; (c) the use of the Permit Area or any activities conducted by Permittee, its Agents, or Invitees; or (d) any release or discharge, or threatened release or discharge, of any Hazardous Material caused or allowed by Permittee, its Agents, or Invitees, on, in, under, or about the Permit Area, any improvements on the Permit Area, or into the environment; except solely to the extent of Losses resulting directly and solely from the willful misconduct of City or City's authorized representatives. The foregoing indemnity includes, without limitation, reasonable attorneys' and consultants' fees, investigation and remediation costs, and all other reasonable costs and expenses incurred by the indemnified parties, including, without limitation, damages for decrease in the value of the Permit Area and claims for damages or decreases in the value of adjoining property. Permittee specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim that actually or potentially falls within this indemnity provision even if the allegation is or may be groundless, fraudulent, or false, which obligation arises at the time the claim is tendered to Permittee by City and continues at all times thereafter. Permittee's obligations under this Section will survive the expiration or other termination of this Permit.

21. "AS IS" CONDITION OF PERMIT AREA; DISABILITY ACCESS; DISCLAIMER OF REPRESENTATIONS

Permittee accepts the Permit Area in its "AS IS" condition, without representation or warranty of any kind by City, its officers, agents, or employees, including, without limitation, the

suitability, safety, or duration of availability of the Permit Area or any facilities on the Permit Area for Permittee's use. Without limiting the foregoing, this Permit is made subject to all applicable laws, rules, and ordinances governing the use of the Permit Area, and to any and all covenants, conditions, restrictions, easements, encumbrances, claims of title, and other title matters affecting the Permit Area, whether foreseen or unforeseen, and whether those matters are of record or would be disclosed by an accurate inspection or survey. It is Permittee's sole obligation to conduct an independent investigation of the Permit Area and all matters relating to its use of the Permit Area, including, without limitation, the suitability of the Permit Area for its uses. Permittee, at its own expense, will obtain all permissions or other approvals from any third parties with existing rights as may be necessary for Permittee to make use of the Permit Area in the manner contemplated under this Permit.

Under California Civil Code Section 1938, to the extent applicable to this Permit, Permittee is advised that the Permit Area has not undergone inspection by a Certified Access Specialist ("CASp") to determine whether it meets all applicable construction-related accessibility requirements. A CASp can inspect the Permit Area and determine if it complies with all the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the Permit Area, City may not prohibit Permittee from obtaining a CASp inspection of the Permit Area for the occupancy or potential occupancy of Permittee if requested by Permittee. City and Permittee will mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the CASp inspection fee, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Permit Area.

22. NO ASSIGNMENT

This Permit is personal to Permittee and may not be assigned, conveyed, or otherwise transferred by Permittee under any circumstances. Any attempt to assign, convey, or otherwise transfer this Permit will be null and void and cause the immediate termination of this Permit.

23. CESSATION OF USE

Permittee will not terminate its activities on the Permit Area without prior written notice to City.

24. NO JOINT VENTURES OR PARTNERSHIP; NO AUTHORIZATION

This Permit does not create a partnership or joint venture between City and Permittee as to any activity conducted by Permittee on, in or relating to the Permit Area. Permittee is not a State actor with respect to any activity conducted by Permittee on, in, or under the Permit Area. The giving of this Permit by City does not constitute authorization or approval by City of any activity conducted by Permittee on, in, or relating to the Permit Area.

25. MACBRIDE PRINCIPLES - NORTHERN IRELAND

The provisions of San Francisco Administrative Code Section 12F are incorporated into this Permit by this reference and made part of this Permit. By signing this Permit, Permittee confirms that Permittee has read and understood that the City urges companies doing business in Northern Ireland to resolve employment inequities and to abide by the MacBride Principles, and

urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

26. NON-DISCRIMINATION

26.1 Covenant Not to Discriminate

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

26.2 Subcontracts

Permittee will include in all subcontracts relating to the Permit Area a non-discrimination clause applicable to the subcontractor in substantially the form of <u>Subsection 25.1</u> above. In addition, Permittee will incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and will require all subcontractors to comply with those provisions. Permittee's failure to comply with the obligations in this Subsection will constitute a material breach of this Permit.

26.3 Non-Discrimination in Benefits

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

26.4 Condition to Permit

As a condition to this Permit, Permittee will execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco San Francisco Contract Monitoring Division (the "CMD"). Permittee represents that prior to execution of this Permit, (i) Permittee executed and submitted to the CMD Form CMD-12B-101 with supporting documentation, and (ii) the CMD approved the form.

26.5 Incorporation of Administrative Code Provisions by Reference

The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the use of City property are incorporated in this Section by reference and made a part of this Permit as though fully set forth. Permittee will comply fully with and be bound by all of the provisions that apply to this Permit under those Chapters of the Administrative Code, including but not limited to, the remedies provided in those Chapters. Without limiting the foregoing, Permittee understands that under Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars (\$50) for each person for each calendar day during which that person was discriminated against in violation of the provisions of this Permit may be assessed against Permittee and/or deducted from any payments due Permittee.

27. TROPICAL HARDWOODS AND VIRGIN REDWOOD BAN

The City and County of San Francisco urges companies not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood, or virgin redwood wood product, except as expressly permitted by the application of San Francisco Environment Code sections 802(b) and 803(b). Permittee will not, except as permitted by the application of sections 802(b) and 803(b), use or incorporate any tropical hardwood, tropical hardwood wood product, virgin redwood, or virgin redwood wood product in the performance of this Permit.

28. NOTIFICATION OF PROHIBITION ON CONTRIBUTIONS

Through its execution of this Permit, Permittee acknowledges its obligations under Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing of any land or building to or from the City whenever the transaction would require the approval by a City elected officer, the board on which that City elected officer serves, or a board on which an appointee of that elected officer serves, from making any campaign contribution to (1) the City elected officer if the contract must be approved by that official, (2) a candidate for the City elective office, or (3) a committee controlled by the elected officer or candidate, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for the contract or twelve (12) months after the date the contract is approved. Permittee acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same elected officer or board in a fiscal year have a total anticipated or actual value of \$100,000 or more. Permittee further acknowledges that (i) the prohibition on contributions applies to each Permittee; each member of Permittee's board of directors, and Permittee's chief executive officer, chief financial officer, and chief operating officer; any person with an ownership interest of more than ten percent (10%) in Permittee; any subcontractor listed in the contract; and any committee that is sponsored or controlled by Permittee and (ii) within thirty (30) days of the submission of a proposal for the Permit, the City department with whom Permittee is contracting is obligated to submit to the Ethics Commission the parties to the Permit and any sublicensee. Additionally, Permittee certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the lease, and has provided the names of the persons required to be informed to the City department with whom it is leasing.

29. POSSESSORY INTEREST TAXES

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

San Francisco Administrative Code Sections 23.38 and 23.39 require that certain information relating to the creation, renewal, extension, assignment, sublicense, or other transfer of this Permit be provided to the County Assessor within sixty (60) days after the transaction. Accordingly, Permittee must provide a copy of this Permit to the County Assessor not later than sixty (60) days after the commencement date of this Permit, and any failure of Permittee to timely provide a copy of this Permit to the County Assessor will be a default under this Permit. Permittee will also timely provide any information that City may request to ensure compliance with this or any other reporting requirement.

30. RESTRICTION ON THE USE OF PESTICIDES

Chapter 3 of the San Francisco Environment Code (the Integrated Pest Management Program Ordinance or "IPM Ordinance") describes an integrated pest management ("IPM") policy to be implemented by all City departments. Permittee will not use or apply or allow the use or application of any pesticides on the Permit Area or contract with any party to provide pest abatement or control services to the Permit Area without first receiving City's written approval of an IPM plan that (i) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Permittee may need to apply to the Permit Area during the term of this Permit, (ii) describes the steps Permittee will take to meet the City's IPM Policy described in Section 300 of the IPM Ordinance and (iii) identifies, by name, title, address, and telephone number, an individual to act as the Permittee's primary IPM contact person with the City. Permittee will comply, and will require all of Permittee's contractors to comply, with the IPM plan approved by the City and will comply with the requirements of sections 300(d), 302, 304, 305(f), 305(g), and 306 of the IPM Ordinance, as if Permittee were a City department. Among other matters, those provisions of the IPM Ordinance: (a) provide for the use of pesticides only as a last resort, (b) prohibit the use or application of pesticides on property owned by the City, except for pesticides granted an exemption under Section 303 of the IPM Ordinance (including pesticides included on the most current Reduced Risk Pesticide List compiled by City's Department of the Environment), (c) impose certain notice requirements, and (d) require Permittee to keep certain records and to report to City all pesticide use at the Permit Area by Permittee's staff or contractors.

If Permittee or Permittee's contractor will apply pesticides to outdoor areas at the Permit Area, Permittee must first obtain a written recommendation from a person holding a valid Agricultural Pest Control Advisor license issued by the California Department of Pesticide Regulation ("CDPR") and any pesticide application must be made only by or under the supervision of a person holding a valid, CDPR-issued Qualified Applicator certificate or Qualified Applicator license. City's current Reduced Risk Pesticide List and additional details

about pest management on City property can be found at the San Francisco Department of the Environment website, http://sfenvironment.org/ipm.

31. PROHIBITION OF TOBACCO SALES AND ADVERTISING

Permittee acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on the Permit Area. This advertising prohibition includes the placement of the name of a company producing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. In addition, Permittee acknowledges and agrees that no Sales, Manufacture, or Distribution of Tobacco Products (as such capitalized terms are defined in Health Code Section 19K.1) is allowed on the Permit Area and such prohibition must be included in all subleases or other agreements allowing use of the Permit Area. The prohibition against Sales, Manufacture, or Distribution of Tobacco Products does not apply to persons who are affiliated with an accredited academic institution where the Sale, Manufacture, and/or Distribution of Tobacco Products is conducted as part of academic research.

32. PROHIBITION OF ALCOHOLIC BEVERAGE ADVERTISING

Permittee acknowledges and agrees that no advertising of alcoholic beverages is allowed on the Permit Area. This advertising prohibition includes the placement of the name of a company producing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product.

33. DRUG-FREE WORKPLACE

Permittee acknowledges that under the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession, or use of a controlled substance under federal law is prohibited on City premises. Permittee agrees that any violation of this prohibition by Permittee, its Agents, or Invitees will be a material breach of this Permit.

34. CONFLICTS OF INTEREST

Through its execution of this Permit, Permittee acknowledges that it is familiar with the provisions of Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and sections 87100 et seq. and sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of those provisions, and agrees that if Permittee becomes aware of any such fact during the term of this Permit, Permittee will immediately notify the City.

35. FOOD SERVICE AND PACKAGING WASTE REDUCTION

Permittee will comply fully with and be bound by all of the provisions of the Food Service and Packaging Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided in that chapter, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated into this Permit by reference and made a part of this Permit as though fully set forth. This provision is a material term of this Permit. Permittee acknowledges that Chapter 16 includes monetary penalties for violations of One Hundred Dollars (\$100.00) for the first breach, Two Hundred

Dollars (\$200.00) for the second breach in the same year, and Five Hundred Dollars (\$500.00) for subsequent breaches in the same year. Any assessment of those penalties will not limit City's rights under this Permit or otherwise for a breach of this Section, and are in addition to City's rights and remedies under this Permit and at law or in equity.

36. PERMITTEE'S COMPLIANCE WITH CITY BUSINESS AND TAX AND REGULATIONS CODE

Permittee acknowledges that under Section 6.10-2 of the San Francisco Business and Tax Regulations Code, the City Treasurer and Tax Collector may require the withholding of payments to any vendor that is delinquent in the payment of any amounts that the vendor is required to pay the City under the San Francisco Business and Tax Regulations Code. If, under that authority, any payment City is required to make to Permittee under this Permit is withheld, then City will not be in breach or default under this Permit, and the Treasurer and Tax Collector will authorize release of any payments withheld under this paragraph to Permittee, without interest, late fees, penalties, or other charges, upon Permittee coming back into compliance with its San Francisco Business and Tax Regulations Code obligations.

37. CONSIDERATION OF SALARY HISTORY

Permittee must comply with San Francisco Administrative Code Chapter 12K. For each employment application to Permittee for work of eight (8) or more hours per week at the Permit Area, Permittee must not consider the applicant's current or past salary (a "Salary History") in deciding whether to hire the applicant or what salary to offer the applicant unless the applicant voluntarily discloses that Salary History without prompting. In addition, Permittee must not (1) ask those applicants about their Salary History, (2) refuse to hire, or otherwise disfavor, injure, or retaliate against applicants that do not disclose their Salary History, or (3) disclose a current or former employee's Salary History without that employee's authorization unless it is required by law, publicly available, or subject to a collective bargaining agreement.

38. NOTICES

Except as otherwise expressly provided in this Permit, any notices given under this Permit will be effective only if in writing and given by delivering the notice in person, by sending it first class mail or certified mail, with a return receipt requested, or overnight courier, return receipt requested, with postage prepaid, addressed as follows:

City: Real Estate Division

City and County of San Francisco 25 Van Ness Avenue, Suite 400 San Francisco, California 94102 Attn: Director of Real Estate Re: 1979 Mission Street Permit

Permittee: 1979 Mission Street PSH Associates, L.P.

c/o Mission Housing Development Corporation

474 Valencia St # 280 San Francisco, CA 94103 Attn: Executive Director With Copy to: Mission Economic Development Agency

2301 Mission St #301 San Francisco, CA 94110 Attn: Chief Executive Officer

Notices under this Permit will be deemed given two (2) days after the date when it has been mailed if sent by first class, certified or overnight courier, or on the date personal delivery is made. For convenience of the parties, copies of notices may be sent by email, but no notice sent only by email will be deemed given and will not be binding on the parties.

39. SEVERABILITY

If any provision of this Permit or the application of a provision of this Permit to any person, entity, or circumstance is invalid or unenforceable, the remainder of this Permit, or the application of the provision to persons, entities, or circumstances other than those as to which it is invalid or unenforceable, will not be affected, and each other provision of this Permit will be valid and be enforceable to the fullest extent permitted by law, except to the extent that enforcement of this Permit without the invalidated provision would be unreasonable or inequitable under all the circumstances or would frustrate a fundamental purpose of this Permit.

40. COUNTERPARTS

This Permit may be executed in two or more counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

41. COOPERATIVE DRAFTING

This Permit has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Permit reviewed and revised by legal counsel. No party will be considered the drafter of this Permit, and no presumption or rule that an ambiguity will be construed against the party drafting the clause will apply to the interpretation or enforcement of this Permit.

46. GENERALLY APPLICABLE PROVISIONS

(a) This Permit may be amended or modified only by a writing signed by City and Permittee. (b) No waiver by any party of any of the provisions of this Permit will be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in the written waiver. (c) All approvals and determinations of City requested, required, or permitted under this Permit may be made in the sole and absolute discretion of the Director of Property or other authorized City official. (d) This instrument (including the exhibit(s) attached to this Permit) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged into this Permit. (e) The section and other headings of this Permit are for convenience of reference only and will be disregarded in the interpretation of this Permit. (f) Time is of the essence. (g) This Permit will be governed by California law and the City's Charter. Any legal suit, action, or proceeding arising out of or relating to this Permit shall be instituted in the

Superior Court for the City and County of San Francisco, and each party agrees to the exclusive jurisdiction of such court in any such suit, action, or proceeding (excluding bankruptcy matters). The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action, or proceeding in such court and irrevocably waive and agree not to plead or claim that any suit, action, or proceeding brought in San Francisco Superior Court relating to this Permit has been brought in an inconvenient forum. The Parties also unconditionally and irrevocably waive any right to remove any such suit, action, or proceeding to Federal Court.

(h) If Permittee consists of more than one person then the obligations of each person will be joint and several. (i) Permittee may not record this Permit or any memorandum hereof. (j) Subject to the prohibition against assignments or other transfers by Permittee under this Permit, this Permit will be binding on and inure to the benefit of the parties and their respective heirs, representatives, successors, and assigns. (k) If City sells or otherwise conveys the property where the Permit Area is located, then this Permit will automatically be revoked. (l) All exhibits attached to this Permit are incorporated by reference.

[SIGNATURES ON FOLLOWING PAGE]

Permittee represents and warrants to City that it has read and understands the contents of this Permit and will comply with and be bound by all of its provisions.

PERMITTEE:

1979 MISSION STREET PSH ASSOCIATES, L.P., a California limited partnership

By: 1979 Mission PSH Housing Associates LLC, a California limited liability company, its managing general partner

By: Mission Housing Development Corporation, a California nonprofit public benefit corporation, its sole member/manager

By:		
	Sam Moss,	
	Executive Director	

By: MEDA 1979 PSH LLC, a California limited liability company, its administrative general partner

By: Mission Economic Development Agency, a California nonprofit public benefit corporation, its sole member/manager

By:	
	Luis Granados,
	Chief Executive Officer

			CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation	
		Ву: _	Sarah R. Oerth, Director of Real Estate (pursuant to San Francisco Administrative Code Section 23.31)	
APP	ROVED AS TO FORM:			
DAV	/ID CHIU, City Attorney			
By:	Keith Nagayama, Deputy City Attorney			

CITY:

EXHIBIT A

Permit Area



1979 MISSION ST. BUILDING 1 | LOGISTICS PLAN



EXHIBIT B

Permittee's Property

[insert after parcel map is recorded]

EXHIBIT C

List of Permittee's Agents

1. Cahill Guzman Joint Venture

EXHIBIT D

Intentionally Omitted