

File No. 160558

Committee Item No. 1

Board Item No. 21

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date October 20, 2016

Board of Supervisors Meeting

Date NOVEMBER 1, 2016

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 checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Memorandum of Understanding (MOU) |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Form 126 - Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 700 |
| <input type="checkbox"/> | <input type="checkbox"/> | Vacancy Notice |
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OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Grant Agreement</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Annual Monitoring Report</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Ground Lease</u> |
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Completed by: Alisa Somera Date October 14, 2016

Completed by: JMM 2179 Date 10/24/2016

1 [Grant Agreement - Broadway Sansome Associates, L.P. - Municipal Transportation Agency
2 Rent Subsidies - Not to Exceed \$1,192,320]

3 **Resolution authorizing the Director of the Mayor's Office of Housing and Community**
4 **Development to execute a Grant Agreement with Broadway Sansome Associates, L.P.,**
5 **to provide Municipal Transportation Agency rent subsidies for 12 permanently**
6 **displaced low-income households at 255 Broadway Street, for a 30-year period, in an**
7 **amount not to exceed \$1,192,320.**

8
9 WHEREAS, Broadway Sansome Associates, LP, a California limited partnership
10 ("Grantee") has constructed 74-units of affordable family housing plus one manager's unit and
11 ancillary residential spaces, affordable to low-income households, located at 255 Broadway
12 and commonly known as the Broadway Sansome Apartments (the "Broadway Sansome
13 Project") pursuant to an Amended and Restated Ground Lease dated March 18, 2013, by and
14 between Grantee and the City (the "Ground Lease"); and

15 WHEREAS, In connection with the construction and operation of the Central Subway
16 Chinatown Station (the "Central Subway Project"), the City and County of San Francisco
17 Municipal Transportation Agency ("SFMTA") acquired property located at 933-949 Stockton
18 Street (the "Chinatown Property"); and

19 WHEREAS, The Central Subway Project required the demolition of the Chinatown
20 Property, which resulted in the permanent displacement of twelve (12) low income residential
21 households (the "Displaced Households"); and

22 WHEREAS, The Displaced Households were temporarily relocated from the Chinatown
23 Property to other rental sites to accommodate the Central Subway Project, and are now
24 permanently relocated at the Broadway Sansome Project; and

1 WHEREAS, For policy reasons, SFMTA wished to facilitate the construction of the
2 Broadway Sansome Project and to provide for the permanent relocation of the Displaced
3 Households at the Broadway Sansome Project; and

4 WHEREAS, To further such policy, SFMTA provided \$8,000,000 to MOHCD, which
5 MOHCD loaned to Grantee to facilitate the construction of the Broadway Sansome Project;
6 and

7 WHEREAS, SFMTA also agreed to provide rental subsidies for the Displaced
8 Households for a period of thirty (30) years, up to a total maximum subsidy of \$1,192,320 on
9 the terms of a Memorandum of Understanding between SFMTA and MOHCD, dated as of
10 December 28, 2012, as amended, a copy of which is on file with the Clerk of the Board in File
11 No. 160558; and

12 WHEREAS, MOHCD proposes to provide the MTA rental subsidies to Grantee in an
13 amount not to exceed \$1,192,320 pursuant to a Grant Agreement (the "Agreement") in
14 substantially the form on file with the Clerk of the Board in File No. 160558 and in such final
15 form as approved by the Director of MOHCD and the City Attorney; and

16 WHEREAS, The Agreement is for a 30 year term, and therefore requires authorization
17 from the Board of Supervisors; now, therefore, be it

18 RESOLVED, That this Board of Supervisors hereby authorizes the Director of MOHCD
19 or the Director's designee to execute the Agreement for an amount not to exceed \$1,192,320;
20 and, be it

21 FURTHER RESOLVED, That this Board of Supervisors authorizes MOHCD to proceed
22 with actions necessary to implement the Agreement following execution, and ratifies,
23 approves, and authorizes all actions heretofore taken by any City official in connection with
24 such Agreement; and, be it

1 FURTHER RESOLVED, That this Board of Supervisors hereby authorizes the Director
2 of MOHCD or the Director's designee to enter into any amendments or modifications to the
3 Agreement, including without limitation, the exhibits that the Director determines, in
4 consultation with the City Attorney, are in the best interest of the City, do not materially
5 increase the obligations or liabilities for the City or materially diminish the benefits of the City,
6 are necessary or advisable to effectuate the purposes and intent of this Resolution and are in
7 compliance with all applicable laws, including the City Charter.

8
9 RECOMMENDED:

10 

11 Olson Lee, Director
12 Mayor's Office of Housing and Community Development

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

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors
Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: BROADWAY SANSOME ASSOCIATES, L.P.	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
SEE ATTACHED for board of directors	
Norman Fong – Executive Director	
Contractor address: 1525 GRANT AVENUE SAN FRANCISCO, CA 94103	
Date that contract was approved: <i>(By the SF Board of Supervisors)</i>	Amount of contract: \$1,192,320.00
Describe the nature of the contract that was approved: Funds will be used to provide rent subsidy to 12 relocated households.	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

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

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

Print Name of Board

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

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

Date Signed

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

Date Signed

Board of Directors



Vivian Fei Tsen - Chair
Managing Partner, Tsen Development Group

Jian Guang Ji
Retired

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Care Navigator, Shanti

Ben Golvin - Vice Chair
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Patsy Chan - Secretary
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Nils Rosenquest
Principal, Rosenquest & Associates

Gregory Chin -Treasurer
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Pamela Calloway
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Joanne Lee
Director of Financial Consulting and Program Development, Northern California Community Loan Fund

Carmen Ye
Student, University of California, Berkeley

Phil Chin
Principal, GreenFuels Inc

Tommy Lim
Optometrist, Berryessa Optometry

Amy Chung
Managing Member and Legal Counsel, Chung Investment, LLC

Ben Ng
Program Coordinator, Tenderloin Housing Clinic

CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

REVISED 10/14/16

October 13, 2016


TO: Government Audit and Oversight Committee
FROM: Budget and Legislative Analyst 
SUBJECT: October 20, 2016 Government Audit and Oversight Committee Meeting

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<p>Item 1 File 16-0558</p>	<p>Departments: Mayor's Office of Housing and Community Development (MOHCD) San Francisco Municipal Transportation Agency (MTA)</p>
<p>EXECUTIVE SUMMARY</p>	
<p>Legislative Objectives</p> <p>The proposed resolution would authorize the Mayor's Office of Housing and Community Development (MOHCD) to execute a grant agreement with Broadway Sansome Associates in which the San Francisco Municipal Transportation Agency (SFMTA) would pay rental assistance to Broadway Sansome Associates on behalf of 12 low-income households that were permanently displaced as a result of the construction for the future Chinatown Subway Station of the Central Subway Project.</p> <p>Key Points</p> <ul style="list-style-type: none"> • The SFMTA purchased property at 933-949 Stockton Street in January 2012 for the site of the future Chinatown Subway Station of the Central Subway Project. As a result of construction of the station, 18 housing units, which included 19 total households, were demolished. • The SFMTA created a Relocation Plan for the displaced residential households, and determined each household was entitled to relocation assistance and either: (1) 42 months of subsidized rent, or (2) a lump sum payment. • Additionally, SFMTA agreed to provide 30 years of rental assistance for 12 of the 14 displaced households with incomes less than 50 percent of the area median income (AMI) that did not elect the lump sum payment at a 100 percent affordable housing development, Broadway Sansome Apartments. <p>Fiscal Impact</p> <ul style="list-style-type: none"> • Under the proposed grant agreement, SFMTA will pay annual rental assistance to 12 displaced residential households in an amount not-to-exceed \$39,744 per year or \$1,192,320 over 30 years. The SFMTA operating budget is the source of funds for the \$1,192,320. <p>Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that has a term of more than ten years is subject to Board of Supervisors approval.

BACKGROUND

The Board of Supervisors authorized the San Francisco Municipal Transportation Agency (SFMTA) in 2010 to purchase real properties by eminent domain to construct the Central Subway Project. The Federal Transit Agency (FTA), which awarded funding to SFMTA to construct the Central Subway Project, required SFMTA to develop a plan to minimize adverse impacts on commercial and residential occupants of the properties purchased by SFMTA through eminent domain. The SFMTA developed the *Central Subway Project Real Estate Acquisition and Management Plan*, and *Relocation Impact Study and Last Resort Housing Plan* ("SFMTA Relocation Plan") in 2010 for the Central Subway Project, which were approved by the FTA, the SFMTA Board of Directors and the Board of Supervisors (File 10-1219).

The SFMTA purchased property at 933-949 Stockton Street in January 2012 for the site of the future Chinatown Subway Station. As a result of construction of the Chinatown Subway Station, 18 housing units, which included 19 total households, were demolished.

Relocation Plan

The *SFMTA Relocation Plan* recommended that SFMTA develop a long-term housing replacement plan with respect to the displaced residential occupants as a result of construction of the future Chinatown Subway Station of the Central Subway Project. Displaced households were each entitled to relocation assistance and either: (1) 42 months of subsidized rent, or (2) a lump sum payment. The Mayor's Office of Housing and Community Development (MOHCD) suggested that the SFMTA develop a long-term housing plan for displaced households with incomes less than 50 percent of the area median income (AMI). Five of the 19 displaced residential households elected to receive a lump sum payment, which ranged from \$53,211 to \$91,053. The remaining 14 households were eligible to receive rental and relocation assistance for up to 42 months.

Twelve of the households that did not select a lump sum payment have incomes less than 50 percent of the AMI and therefore qualify for long-term housing assistance.¹ SFMTA proposed setting aside housing units at a new 75-unit 100 percent affordable housing development, the Broadway Sansome Apartments, located at 255 Broadway Street in the Financial District, as long-term housing for income-qualified households. The Broadway Sansome Apartments are under the jurisdiction of the Mayor's Office of Housing and Community Development (MOHCD) and ground-leased to a non-profit developer, Chinatown Community Development Center. The twelve income-eligible displaced households began leasing units at the Broadway Sansome Apartments in March 2015.

¹ One household had an income over 50 percent AMI, and therefore was not able to participate in the long-term housing replacement option at the Broadway Sansome Apartments. However, this household did receive 42 months of relocation assistance. The member of the last displaced household died during the interim period.

SFMTA & MOHCD Displacement and Relocation Expenses to Date

SFMTA has paid a total of \$9,268,307 to date for (a) one-time lump sum payment of \$352,427 to five households, (b) 42 months of rental and relocation assistance (\$915,880) to 14 households, and (c) a one-time payment of \$8,000,000 toward construction of the Broadway Sansome Apartments. MOHCD paid an additional \$83,461 in rental assistance to 12 households for the period between the expiration of the 42-month rental assistance and relocation payments by SFMTA and the move-in date of March 2015 to the Broadway Sansome Apartments. The total subsidies paid by the SFMTA and MOHCD are \$9,351,768, as shown in Table 1 below.

Table 1: Subsidies Paid By SFMTA & MOHCD to Displaced Households

Subsidy	Amount	# of Households
SFMTA		
One-time lump sum payments	\$352,427	5
42 months of rental and relocation assistance	\$915,880	14
Broadway Sansome construction costs contribution	\$8,000,000	12
SFMTA Subtotal	\$9,268,307	
MOHCD		
Rental assistance paid by MOHCD for period between 42 months and permanent move-in in March 2015	\$83,461	12
Total Paid by SFMTA & MOHCD	\$9,351,768	

Source: SFMTA & MOHCD

According to Ms. Kerstin Magary, Senior Manager of SFMTA Strategic Real Estate, SFMTA has not had other projects partially funded by the FTA that required relocation of residential or commercial tenants, and therefore SFMTA has not previously paid rental assistance and relocation costs to displaced tenants.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would authorize the Mayor's Office of Housing and Community Development to execute a grant agreement with Broadway Sansome Associates in which SFMTA would pay rental assistance to Broadway Sansome Associates on behalf of 12 low-income households that were permanently displaced as a result of the construction for the future Chinatown Subway Station of the Central Subway Project. The grant agreement is for a 30-year period to commence following Board of Supervisors approval, through approximately July 2046, in an amount not to exceed \$1,192,320.

Although the displaced households moved into the Broadway Sansome Apartments in March 2015, according to Ms. Joan McNamara, MOHCD Senior Project Manager, MOHCD did not finalize the grant agreement with Broadway Sansome Associates and submit this resolution to

the Board of Supervisors until May 2016 because MOHCD had to first complete other agreements regarding capital and operating funds for the Broadway Sansome Apartments.²

FISCAL IMPACT

In accordance with the requirements of the FTA and the *SFMTA Relocation Plan*, under the proposed grant agreement, SFMTA will pay annual rental assistance to 12 displaced residential households in an amount not-to-exceed \$39,744 per year or \$1,192,320 over 30 years, as shown in Table 2 below. The SFMTA operating budget is the source of funds for the \$1,192,320.

Table 2: SFMTA Rental Assistance for Displaced Households at Broadway Sansome Apartments

	Total Rent for 12 Housing Units*	Rent Paid by Tenants (30% household income)	SFMTA Rental Assistance (Rent less amount paid by households)
Monthly	\$10,146	\$6,834	\$3,312
Annually	\$121,752	\$82,008	\$39,744
30-Year Total	\$3,652,560	\$2,460,240	\$1,192,320

Source: MOHCD

*The monthly rent for units at Broadway Sansome Apartments range from \$581 per month for one bedroom to \$1,220 per month for three bedrooms.

As noted above, MOHCD paid rental and relocation assistance to the 12 households between the expiration after 42 months of the original rental and relocation assistance provided by SFMTA and March 2015, when the 12 households moved into the Broadway Sansome Apartments. Since March 2015, the rental reserve for the Broadway Sansome Apartments has been used to pay rental assistance for the 12 displaced households. According to Ms. McNamara, the rental reserve is now depleted and owed \$11,000, which will be reimbursed by the SFMTA funds.

RECOMMENDATION

Approve the proposed resolution.

² These agreements included the Local Operating Subsidy Program agreement with the Human Services Agency, and the debt-financing agreement with the State.

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

GRANT AGREEMENT

Between

CITY AND COUNTY OF SAN FRANCISCO

and

BROADWAY SANSOME ASSOCIATES, L.P.,

For

BROADWAY SANSOME APARTMENTS

255 BROADWAY, SAN FRANCISCO

THIS GRANT AGREEMENT (this "**Agreement**") is made this _____, by and between Broadway Sansome Associates, L.P., a California limited partnership ("**Grantee**"), and the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("**City**") acting by and through the Mayor's Office of Housing and Community Development ("**MOHCD**").

WITNESSETH:

A. Grantee has a leasehold interest in the real property located at 255 Broadway, San Francisco, California, as more particularly described in Exhibit B attached hereto (the "**Property**") under an Amended and Restated Ground Lease dated March 18, 2013 by and between Grantee and City (the "**Ground Lease**"). Pursuant to the Ground Lease, Grantee has constructed 74-units of affordable family housing plus one manager's unit and ancillary residential spaces, affordable to low-income households, commonly known as Broadway Sansome Apartments (the "**Project**").

B. On January 10, 2012, the City and County of San Francisco Municipal Transportation Agency ("SFMTA") acquired property in San Francisco, California commonly known as 933-949 Stockton Street, APN Parcel 0211, Block 001 (the "**Chinatown Property**") for the construction and operation of the Central Subway Chinatown Station (the "**Central Subway Project**"), which required the demolition of the mixed-use building currently located on the Chinatown Property. The Chinatown Property contained eighteen (18) residential units with nineteen (19) households, and fourteen (14) of those residential households (collectively, the "**Displaced Households**") were temporarily relocated from the Chinatown Property to other rental sites to accommodate the Central Subway Project.

C. Grantee and City agreed to provide units in the Project as a permanent relocation option for income-qualified Displaced Households that wish to relocate to the Project. In order to facilitate this, SFMTA agreed to provide certain rental subsidies for periods during which a Displaced Household leases a Project unit and has a certified income that is less than fifty percent (50%) of area median income, as determined by the United States Department of

Housing and Urban Development for the San Francisco area, adjusted for actual household size, but not high housing cost area ("**Adjusted Median Income**" or "AMI").

D. The Project has been leased up, and of the fourteen Displaced Households, twelve have a certified 2015-2016 household income of less than 50% of Adjusted Median Income and have leased Project units (the "**Relocated Households**"). The twelve Relocated Households are listed on Exhibit A attached hereto.

E. Pursuant to this Agreement, City shall provide a rental subsidy to Grantee on an annual basis for any Relocated Household that has a certified household income of less than 50% of Adjusted Median Income for such year, for up to thirty lease years, as calculated pursuant to Article 5 below; provided that no annual subsidy shall exceed Thirty-Nine Thousand Seven Hundred and Forty-Four Dollars (\$39,744), which amount is the cumulative subsidy calculated for the first lease year for all Relocated Households collectively (the "**Maximum Annual Subsidy Amount**").

F. The City's Board of Supervisors authorized execution of this Agreement on _____, pursuant to Resolution No. _____.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1.1 Specific Terms. Unless the context otherwise requires, the following capitalized terms (whether singular or plural) shall have the meanings set forth below:

"**Actual Rent Amount**" means thirty percent (30%) of a Relocated Household's certified annual income.

"**ADA**" shall mean the Americans with Disabilities Act (including all rules and regulations thereunder) and all other applicable federal, state and local disability rights legislation, as the same may be amended, modified or supplemented from time to time.

"**Additional Tenant**" means additional individuals identified on Exhibit A who live with a Relocated Household but were not members of the applicable Displaced Household.

"**Adjusted Median Income**" or "AMI" has the meaning set forth in Recital C above.

"**Agreement Date**" means the date this Agreement is duly executed and delivered by Grantee and MOHCD.

"**Annual Monitoring Report**" shall have the meaning given to it in Section 6.1.

"**Annual Operating Budget**" means the operating budget for the Project approved by City attached hereto as Exhibit C, or as otherwise amended by Grantee and City.

"**Applicable Laws**" means all applicable present or future federal, state, local and administrative laws, rules, regulations, codes, orders and requirements.

“Calendar Year” means each period of twelve (12) calendar months commencing on January 1 and ending December 31 during all or any portion of which this Agreement is in effect.

"CFR" means the Code of Federal Regulations.

"Charter" shall mean the Charter of City.

"Charter Documents" shall have the meaning given in Section 6.2.

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

"City Loan Documents" means the MOHCD Loan Agreements and the documents executed in connection therewith.

“Controller” shall mean the Controller of City.

“Designated Head of Household” means the designated head of household for a Relocated Household.

"Director" means MOHCD's Director or an authorized representative of the Director.

“Displaced Household” has the meaning set forth in Recital B.

"Effective Date" means the Initial Leasing Date, which is March 15, 2015.

"Event of Default" shall have the meaning set forth in Section 11.1.

"First Subsidy Payment" shall mean the Subsidy Payment for the initial Fiscal Year starting from the Effective Date and ending on June 30th of that calendar year.

"Fiscal Year" shall mean each period of twelve (12) calendar months (or portion thereof) commencing on July 1 and ending on June 30 during which this Agreement is in effect.

"Grant Amount" shall have the meaning set forth in Section 5.1.

"Grant Funds" shall mean any and all funds allocated or disbursed to Grantee under this Agreement.

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

"Indemnified Parties" shall mean City, including MOHCD, SFMTA and all of City's commissions, departments, agencies and other subdivisions, and City's elected officials, directors, officers, employees, agents, and representatives, and their respective successors and assigns.

"Initial Leasing Date" shall be March 15, 2015, the date when the first Relocated Unit was leased and occupied by a Relocated Household.

"Maintenance Duties" shall have the meaning given to it in Section 4.8(a).

“Maximum Annual Subsidy Amount” means Thirty-Nine Thousand Seven Hundred and Forty-Four Dollars (\$39,744), as further described in Section 5.2.

"**MOHCD**" shall mean the Mayor's Office of Housing and Community Development of the City and County of San Francisco.

"**MOHCD Loan Agreements**" mean that certain Amended and Restated HOME loan agreement, dated as of March 18, 2013, between MOHCD and Grantee with respect to a \$5,783,800 loan; and that certain MTA Loan Agreement dated as of March 18, 2013 between MOHCD and Grantee with respect to a \$8,000,000 loan.

"**Operating Costs**" means the following costs: (a) all charges incurred in the operation of the Project for utilities, real estate taxes and assessments and premiums for insurance required under this Agreement, the City Loan Documents or the Senior Loan Documents; (b) salaries, wages and any other compensation due and payable to the employees or agents of Grantee employed in connection with the Project, including all related withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments; (c) Qualified Minimal Debt Service Payments, if any; (d) the asset management fees, partnership management fees, investor services fee and deferred Grantee fees described in the Annual Operating Budget or otherwise approved by MOHCD in writing; (e) all other expenses actually incurred to cover the operation of the Project to the standards required under this Agreement, including maintenance and repairs, and property management fees (to the extent such fees are permitted to be made under the MOHCD Loan Agreements); (f) required deposits to the Replacement Reserve Account (as defined in the MOHCD Loan Agreements), Operating Reserve Account, and any other reserve account required under this Agreement, the City Loan Documents or the Senior Loan Documents; and (g) any extraordinary expenses arising from the ownership or operation of the Project approved in advance and in writing by MOHCD. "Operating Costs" shall not include any loan payments to be made under the City Loan Documents, the Senior Loan Documents or any other loan payments other than Qualified Minimal Debt Service Payments, nor any costs Grantee incurs in providing services to a Project tenant other than the services to be provided under such Project tenant's lease or otherwise approved hereunder.

"**Operating Statement**" shall have the meaning set forth in Section 6.1.

"**Opinion**" means an opinion of Grantee's California legal counsel, satisfactory to MOHCD and its legal counsel, that Grantee is a duly formed, validly existing limited partnership in good standing under the laws of the State of California, has the power and authority to enter into the Agreement and will be bound by their terms when executed and delivered, that each of Grantee's general partners is a duly formed, validly existing nonprofit corporation in good standing under the laws of the State of California, which has established and maintains valid nonprofit status under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated thereunder or is a duly formed, validly existing limited liability company whose sole member is nonprofit corporation in good standing under the laws of the State of California, which has established and maintains valid nonprofit status under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated thereunder and each has the power and authority to act as Grantee's general partner, and that addresses any other matters MOHCD reasonably requests.

"**Over-Income Household**" means a Relocated Household that has a certified household income that exceeds 50% of Adjusted Median Income.

"**Project**" means the seventy five (75) unit housing project commonly known as Broadway Sansome Apartments, which is located on the Real Property.

"**Project Income**" means all income and receipts in any form received by Grantee from the operation, use or ownership of the Project, calculated on an accrual basis, including rents,

fees, deposits (other than tenant security deposits), reimbursements and other charges paid to Grantee by MOHCD in connection with the Project (other than Grant Funds).

"Project Operating Account" means a checking account maintained by Grantee, which shall be held in a bank or savings and loan institution acceptable to MOHCD as a segregated account insured by the Federal Deposit Insurance Corporation or other comparable federal insurance program.

"Qualified Minimal Debt Service Payment" means a minimal debt service payment that Grantee must make under the MOHCD Loan Agreements, the Senior Loan Documents or any additional state or federal affordable housing loan for the Project, provided that Grantee first obtains MOHCD's written consent to such additional loan.

"Property" shall mean the real property described on the attached **Exhibit B**.

"Relocated Household" has the meaning set forth in Recital D.

"Relocated Units" means the twelve (12) residential units at the Project leased by Relocated Households in an applicable lease year.

"Rent" means the aggregate annual sum charged to Relocated Households for rent and utilities, with utility charges (if any) limited to an allowance determined by the San Francisco Housing Authority.

"Senior Loan Documents" means the following documents: the Multifamily Housing Revenue Bond Loan Agreement in the amount of \$23,900,000 between the City, U.S. Bank National Association, as Trustee and Grantee and the state Multifamily Housing Program loan in the amount of \$7,481,477. [Identification to be completed.]

"SFMTA" means City and County of San Francisco Municipal Transportation Agency.

"Subsidy Payment" means a payment made by MOHCD to Grantee pursuant to the terms of this Agreement, which shall be made in the manner and in the amount specified in Article 5.

"Target Rent Amount" means thirty percent (30%) of fifty percent (50%) of Adjusted Median Income

"Term" shall have the meaning given to in Section 3.

"Underlying Restricted Rent" is the maximum rent allowed under the MOHCD Loan Agreement.

1.2 Additional Terms. The terms "as directed," "as required" or "as permitted" and similar terms shall refer to the direction, requirement, or permission of MOHCD. The terms "sufficient," "necessary" or "proper" and similar terms shall mean sufficient, necessary or proper in the sole judgment of MOHCD. The terms "approval," "acceptable" or "satisfactory" or similar terms shall mean approved by, or acceptable to, or satisfactory to MOHCD. The terms "include," "included" or "including" and similar terms shall be deemed to be followed by the words "without limitation". The use of the term "subcontractor," "successor" or "assign" herein refers only to a subcontractor ("subgrantee"), successor or assign expressly permitted under Article 13.

1.3 References to this Agreement. References to this Agreement include: (a) any and all appendices, exhibits, schedules, attachments hereto; (b) any and all statutes, ordinances,

regulations or other documents expressly incorporated by reference herein; and (c) any and all amendments, modifications or supplements hereto made in accordance with Section 17.2. References to articles, sections, subsections or appendices refer to articles, sections or subsections of or appendices to this Agreement, unless otherwise expressly stated. Terms such as "hereunder," herein or "hereto" refer to this Agreement as a whole.

ARTICLE 2 APPROPRIATION AND CERTIFICATION OF GRANT FUNDS; LIMITATIONS ON CITY'S OBLIGATIONS

2.1 Risk of Non-Appropriation of Grant Funds. This Agreement is subject to the budget and fiscal provisions of the Charter. City shall have no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements or for other MOHCD expenditures. Grantee acknowledges that MOHCD's obligation to make Subsidy Payments under this Agreement is expressly conditioned on the (a) appropriation of sufficient funds to SFMTA for Subsidy Payments and transfer of such funds from SFMTA to MOHCD (or as MOHCD may direct such funds to be transferred directly by SFMTA to Grantee), which appropriation and transfer is subject to SFMTA's annual operating budget, or (b) appropriation of sufficient funds for Subsidy Payments to MOHCD's annual operating budget. If the funds appropriated for subsidy payments in a Fiscal Year will be insufficient to fund the total subsidy payments MOHCD intended to make in such Fiscal Year, MOHCD shall have the right to reduce the amount of subsidy payments.

If MOHCD determines that Subsidy Payments for any given Fiscal Year must be reduced due to a shortfall in appropriated funds (a "**Non-Appropriation Event**"), MOHCD shall notify Grantee that a Non-Appropriation Event has occurred. City's obligation to make any Subsidy Payments in excess of those for which sufficient funds have been appropriated shall automatically terminate as of such Non-Appropriation Event. Grantee acknowledges that SFMTA's and MOHCD's annual operating budgets are each subject to the discretion of City's Mayor and Board of Supervisors and a Non-Appropriation Event may occur during the Term and, accordingly, that Subsidy Payments may subsequently not be made in the amounts projected pursuant to this Agreement. Grantee's assumption of such risks is part of the consideration for this Agreement.

2.2 Certification of Controller; Guaranteed Maximum Costs. No funds shall be available under this Agreement until prior written authorization certified by the Controller. In addition, as set forth in Section 21.10-1 of the San Francisco Administrative Code:

(a) City's obligations hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification, the current Controller certification for Grant Funds is only for the First Subsidy Payment, and Controller certification will be a condition precedent for all other Subsidy Payments.

(b) Except as may be provided by City ordinances governing emergency conditions, City and its employees and officers are not authorized to request Grantee to perform services or to provide materials, equipment and supplies that would result in Grantee performing services or providing materials, equipment and supplies that are beyond the scope of the services, materials, equipment and supplies specified in this Agreement unless this Agreement is amended in writing and approved as required by law to authorize the additional services, materials, equipment or supplies. City is not required to pay Grantee for services, materials, equipment or supplies provided by Grantee if they are beyond the scope of the services, materials, equipment and supplies agreed upon herein and were not approved by a written amendment to this Agreement lawfully executed by City.

(c) City and its employees and officers are not authorized to offer or promise to Grantee additional funding for this Agreement that would exceed the maximum amount of funding provided for herein. Additional funding for this Agreement in excess of the maximum provided herein shall require lawful approval and certification by the Controller. City is not required to honor any offered or promised additional funding that exceeds the maximum provided in this Agreement, which requires lawful approval and certification of the Controller when the lawful approval and certification by the Controller has not been obtained.

(d) The Controller is not authorized to make payments on any agreement for which funds have not been certified as available for such purposes in the budget of SFMTA or MOHCD or by supplemental appropriation.

2.3 Automatic Termination for Nonappropriation or Nontransfer of Funds. This Agreement shall automatically terminate, without penalty, liability or expense of any kind to City, at the end of the period of the Fiscal Year that a Non-Appropriation Event occurs.

2.4 SUPERSEDURE OF CONFLICTING PROVISIONS. IN THE EVENT OF ANY CONFLICT BETWEEN ANY OF THE PROVISIONS OF THIS ARTICLE 2 AND ANY OTHER PROVISION OF THIS AGREEMENT, THE APPLICATION DOCUMENTS OR ANY OTHER DOCUMENT OR COMMUNICATION RELATING TO THIS AGREEMENT, THE TERMS OF THIS ARTICLE 2 SHALL GOVERN.

ARTICLE 3 TERM

The term of this Agreement (the "**Term**") shall commence on the Effective Date and shall terminate on _____, which date is the thirtieth (30th) anniversary of the Effective Date, unless earlier terminated in accordance with the terms herein.

ARTICLE 4 PERFORMANCE OF GRANT OBLIGATIONS

4.1 Lease of Relocated Units.

(a) Lease of Relocated Units. Grantee has leased all of the Relocated Units to the Relocated Households. If a Relocated Household terminates its lease at any time without the Relocated Household immediately leasing another unit in the Project, Grantee shall deliver written notice of such termination to City within five (5) business days of such termination and the City's obligation hereunder to subsidize the Relocated Household will terminate as of the lease termination date. Grantee shall rent each Relocated Unit to a Relocated Household pursuant to a separate lease agreement that complies with this Agreement. Each Relocated Household lease shall provide for termination of such lease and such Relocated Household's consent to immediate eviction if the Relocated Household has made any material misrepresentation in the initial income certification to Grantee or in any later income certification made by the Relocated Household to Grantee. Grantee shall designate Relocated Households in the appropriate AMI unit that most closely matches the Relocated Household income level, such that the Relocated Household will pay the highest appropriate Actual Rent Amount and the corresponding Subsidy Payments made under this Agreement will be minimized.

(b) Annual Income Certification. Grantee and City hereby acknowledge that, as of the Effective Date, Grantee has completed the initial income certification for each Relocated Household's annual household income, and has determined that each Relocated Household qualifies for the Subsidy Payment. Grantee shall obtain each Relocated Household's recertification of his/her household income on an annual basis, and in accordance with Section 5.2 below. Such income certifications shall be prepared pursuant to low income housing tax

credit guidelines for household income and shall be maintained on file at Grantee's principal office for no less than five (5) years following the date of such certification, and Grantee must file or cause to be filed copies thereof with MOHCD promptly upon MOHCD's request therefor.

(d) Security Deposits. Security deposits may be required of Relocated Households only in accordance with applicable federal regulations, state law and this Agreement. Any security deposits collected must be segregated from all other funds of the Project in an account held in trust for the benefit of the Relocated Household and other tenants of the Project and disbursed in accordance with California law. The balance in such security deposit account must at all times equal or exceed the aggregate of all security deposits collected plus accrued interest thereon, less any security deposits or interest thereon returned to Relocated Households or any other tenants of the Project.

(e) Designated Head of Household; Displaced Household Information. The Designated Head of each Relocated Household is set forth in the attached Exhibit A, together with (i) the other individuals who are members of the applicable Displaced Household and who currently comprise such Relocated Household, (ii) the date each Relocated Household moved into the Project, (iii) the certified March 2015- February 2016 household income for each Relocated Household and the Additional Tenants, (iv) the rent payable by each Relocated Household from March 2015 to February 2016, and (v) the Target Rent Amount as of March of 2015.

(f) Change in Relocated Household, Designated Head of Household. If one or more of the original members of a Relocated Household moves to a different residence at the Project or elsewhere, the members of such Relocated Household shall automatically be revised to exclude the original member who moved and to include only the Designated Head of Household for such Relocated Household, the other original members of the Relocated Household who continue to reside with the Designated Head of Household. For example, if a Relocated Household was originally comprised of a mother, an uncle, and two sons, with the mother originally designated as the Designated Head of Household of such Relocated Household, and the two sons eventually move to a separate Project unit or elsewhere, the members comprising such Relocated Household shall be automatically revised to be the mother and the uncle. In such a scenario, the City would have no obligation to provide rental subsidies under this Agreement for the two sons, even if the two sons resided at a different unit at the Project and were determined to be an Under-Income Household. In such a scenario, if the two sons later returned to live with the mother and the uncle, they would be Additional Tenants and would not regain their status as members of the Relocated Household.

If a Designated Head of Household for a Relocated Household dies, such Relocated Household's new Designated Head of Household shall be the oldest remaining original member of such Relocated Household who resided continuously at the same Project unit as the previous Designated Head of Household until the time of his or her death. For example, if a Relocated Household was originally comprised of a mother, an adult uncle, and two minor sons, with the mother originally designated as the Designated Head of Household of such Relocated Household, and the mother dies when the uncle and two sons were still living in the same Housing Project unit as her, the uncle shall become the new Designated Head of Household for such Relocated Household on the death of the mother. If the mother of such Relocated Household dies at a time when none of the members of such Relocated Household, as listed on the attached Exhibit A, live in the same Project unit with her, the City shall have no obligation to provide any rental subsidy for any former members of such Relocated Household, even if any of them live in separate units in the Project. The City shall not have any obligation to pay rental

subsidies for any Additional Tenant who was living with the mother in her Project unit at the time of her death.

If a Designated Head of Household for a Relocated Household moves from the Relocated Unit, such Relocated Household's new Designated Head of Household shall be the oldest remaining original member of such Relocated Household who resided in the same Project unit as the previous Designated Head of Household immediately prior to his or her move and continues to reside at the Project. For example, if a Relocated Household was originally comprised of a mother, an adult uncle, and two minor sons, with the mother originally designated as the Designated Head of Household of such Relocated Household, and the mother moves from the Project when the uncle and two sons were still living in the same Project unit as the mother immediately prior to her move, the uncle shall become the new Designated Head of Household for such Relocated Household on the date the mother moves from that Project unit. If the mother of such Relocated Household moves at a time when none of the members of such Relocated Household, as listed on the attached Exhibit A, were living with her, City shall have no obligation to provide any rental subsidy for any former members of such Relocated Household, even if any of them live in separate units in the Project. The City shall not have any obligation to pay rental subsidies for any Additional Tenant who was living with the mother in her Project unit immediately prior to her move.

(g) Additional Tenants. No Additional Tenant is entitled to become a replacement Designated Head of Household. Grantee agrees that although an Additional Tenant's income shall be used to calculate the annual income of any Relocated Household, no Additional Tenant shall be deemed to be a member of a Relocated Household or entitled to any City rental subsidy pursuant to this Agreement.

4.2 Rent Restrictions.

(a) Rent Paid. Rent charged to any Relocated Household shall be the lower of: (i) the Actual Rent Amount; or (ii) the Underlying Restricted Rent.

(b) Over-Income Household Rent. Rent charged to a Relocated Household may be increased as a result of a determination that such Relocated Household is an Over-Income Household, so long as the Rent charged does not exceed the Underlying Restricted Rent. If a Relocated Household becomes an Over-Income Household at any time after the Effective Date, Grantee shall continue to rent the same Project unit to such Over-Income Household at the allowed Underlying Restricted Rent, and the portion of Rent paid by the Relocated Household that exceeds the then Target Rent Amount shall be credited against the Subsidy Payment payable by City in accordance with Section 5.2(d); provided, however, that any such subsidy portions remaining at the end of the Term shall be returned to City within thirty (30) days following the end of the Term, together with a statement detailing the calculation of such amount.

(c) Annual Rent Report. Grantee must provide MOHCD a report showing actual household income level and Rent for each Relocated Household by April 15th of each year in accordance with Section 5.2(b).

4.3 [Intentionally Omitted]

4.4 [Intentionally Omitted]

4.5 Annual Operating Budget. The Annual Operating Budget attached hereto as **Exhibit C** sets forth Grantee's anticipated Operating Costs and Project Income for the Term of the Agreement. Grantee shall pay Operating Costs in conformity with the approved Annual Operating Budget. MOHCD's prior written consent shall not be required before Grantee can spend funds on Operating Costs that differ in amount from the amounts in the Annual Operating Budget.

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

4.7 [Intentionally Omitted]

4.8 Maintenance and Management of Project.

(a) Grantee shall be responsible for ensuring all Project maintenance, repair and management functions, including the collection of rents, routine and extraordinary repairs and replacement of capital items, and for keeping the Project in a safe and sanitary manner and in good operating condition in accordance with all Applicable Laws, the City Loan Documents and the Senior Loan Documents (collectively, the "**Maintenance Duties**").

(b) Grantee may contract with a management agent for the performance of the Maintenance Duties subject to MOHCD's prior written approval of both the management agent and the management contract, provided, however, that the arrangement will not relieve Grantee of responsibility for performance of those duties. A management contract must contain a provision allowing Grantee to terminate the contract without penalty upon no more than thirty (30) days' notice.

(c) MOHCD will provide written notice to Grantee if MOHCD determines that the Maintenance Duties are not being performed in accordance with this Agreement. If Grantee is then in contract with a management agent pursuant to subsection (b) above, and such management agent fails to fully cure such failure within thirty (30) days of the date that MOHCD delivers such written notice, Grantee shall exercise such thirty (30) day termination right, terminate the management contract and make immediate arrangements for cure of such failure and for the continuous and continuing performance of the Maintenance Duties. If, at the time of such notice, Grantee is not in contract with a management agent pursuant to subsection (b) above, in addition to MOHCD's rights hereunder, MOHCD shall have the right to require that Grantee, at Grantee's sole cost, contract with a management agent to perform the Maintenance Duties, or to make other arrangements the City deems necessary to ensure full and timely performance of the Maintenance Duties.

.....

**ARTICLE 5
USE AND DISBURSEMENT OF GRANT FUNDS**

5.1 Maximum Amount of Grant Funds; Disbursement of Subsidy Payments. In no event shall the total amount of Grant Funds disbursed under this Agreement exceed One Million One Hundred Ninety Two Thousand Three Hundred Thirty Two Dollars (\$1,192,320.00) (the "**Grant Amount**"). Subject to Grantee's performance of its obligations under this Agreement and MOHCD's receipt of sufficient funds, as further set forth in Article 2, the Grant Amount shall be disbursed through Subsidy Payments.

Provided that Grantee is in compliance with all of the conditions for receipt of the First Subsidy Payment, City shall deliver the First Subsidy Payment to Grantee within ten (10) business days immediately following complete execution of this Agreement. For every subsequent Fiscal Year during the Term, provided that Grantee is in compliance with all of the conditions for receipt of a Subsidy Payment, City shall deliver the Subsidy Payment for such Fiscal Year to Grantee within fifteen (15) business days immediately following the City's approval of the annual budget and commencement of the applicable Fiscal Year.

5.2 Subsidy Payment Amounts and Adjustments.

(a) First Lease Year. As of the Effective Date, Grantee has completed income certifications for each Relocated Household and, using that information, determined the difference between the Target Rent Amount and the Actual Rent Amount for each Relocated Household for the initial Lease Year. Accordingly, \$39,744 shall be the Maximum Annual Subsidy Payment under this Agreement. The First Subsidy Payment during the lease period between March 15, 2015-June 30, 2015 shall be \$13,248 which is the difference between the Actual Rent Amount and the Target Rent Amount payable by each Relocated Household from March 2015 to June 30, 2015. This amount reflects the Maximum Annual Subsidy Payment, prorated for the remainder of the Fiscal Year starting on the Effective Date. Each subsequent Subsidy Payment shall be adjusted pursuant to Sections 5.2(b), (c) and (d) below, but in any event, no Subsidy Payment shall exceed the Maximum Annual Subsidy Amount.

(b) Subsequent Lease Years. Grantee shall perform an annual income recertification for each Relocated Household on or before each anniversary of the commencement date of such Relocated Household's lease. By April 15th of each year, Grantee shall deliver a statement to MOHCD and SFMTA that lists each Relocated Household, all members of the original Relocated Household residing in the unit, and any Additional Tenants, the recertified income of such Relocated Household at such time (including whether or not such Relocated Household has become an Over-Income Household), the Target Rent Amount at the time of the statement, the Actual Rent Amount to be paid by such Relocated Household for the ensuing year, and the difference between the Target Rent Amount and the Actual Rent Amount payable by such Relocated Household, together with a copy of the fully executed lease for the Relocated Household listed in the statement. The Subsidy Payment for the following Fiscal Year shall be the new total combined amount of the difference between the Target Rent Amount and the Actual Rent Amount for all Relocated Households, not to exceed the Maximum Subsidy Amount.

(c) Termination of Relocated Household Lease. If during any Fiscal Year, any Relocated Household does not lease a Project unit for the entire twelve (12) month subsidy period, the Subsidy Payment paid by City for such Relocated Household shall be accordingly prorated, and the remaining portion of such subsidy shall be used to offset the Subsidy Payment payable by City for the following Fiscal Year; provided, however, that any such subsidy portions remaining at the end of the Term shall be returned to City within thirty (30) days following the end of the Term, together with a statement detailing the calculation of such amount.

(d) Over-Income Household Credit. If a Relocated Household becomes an Over-Income Household at any time after the Effective Date, the portion of any monthly rental rate

paid by an Relocated Household that exceeds the Target Rent Amount shall be credited against all subsequent annual Subsidy Payments; provided, however, that any such subsidy portions remaining at the end of the Term shall be returned to City within thirty (30) days following the end of the Term, together with a statement detailing the calculation of such amount.

(e) Subsidy Payments Not to Exceed Grant Amount. The total amount of all Subsidy Payments made hereunder shall not exceed the Grant Amount. If the total amount of all Subsidy Payments made hereunder equals the Grant Amount at any time prior to the expiration of the Term, no further Subsidy Payments shall be made hereunder. If any Subsidy Payment would, if made, cause the total amount of all Subsidy Payments made hereunder to exceed the Grant Amount, such Subsidy Payment shall be accordingly reduced so the total amount of Subsidy Payments made hereunder equals the Grant Amount.

5.3 Use of Grant Funds. Grantee shall use the Grant Funds only for Operating Costs and for no other purpose. Grantee shall expend the Grant Funds in accordance with the Annual Operating Budget.

5.4 Conditions Precedent to Payment of First Subsidy Payment. Grantee shall fully satisfy each of the following conditions prior to delivery of the First Subsidy Payment.

(a) Grantee must have delivered to the City fully executed (and for documents to be recorded, acknowledged) originals of the following documents, in form and substance satisfactory to the City: (i) this Agreement (in triplicate); (ii) the Opinion; and (iii) the Authorizing Resolutions.

(b) Grantee must have delivered its Charter Documents to the City.

(c) Grantee shall be in compliance with all of its obligations under City Loan Documents and the Senior Loan Documents.

(d) No Event of Default, or event that with notice or the passage of time or both could constitute an Event of Default, shall exist and remain uncured as of the date of the Initial Subsidy Payment is to be disbursed hereunder.

5.5 Conditions Precedent to Payment of Subsequent Subsidy Payments. Grantee shall fully satisfy each of the following conditions prior to delivery of any subsequent Subsidy Payment:

(a) Grantee shall be in compliance with all of its obligations under the City Loan Documents and the Senior Loan Documents.

(b) No Event of Default, or event that with notice or the passage of time or both could constitute an Event of Default, shall exist and remain uncured as of the date of such Subsidy Payment is to be disbursed hereunder.

ARTICLE 6 REPORTING REQUIREMENTS; AUDITS; PENALTIES FOR FALSE CLAIMS

6.1 Regular Reports; Operating Statements.

Grantee must file electronically with the City no later than one hundred twenty (120) days after the end of Grantee's calendar year annual report forms (the "Annual Monitoring Report") that

include audited financial statements including any management letters; an income and expense statement for the Project covering the applicable reporting period "Operating Statement"; a statement of balances, deposits and withdrawals from all Accounts; and evidence of required insurance. The Annual Monitoring Report must be in substantially the form attached as Exhibit E or as later modified by MOHCD during the Term.

Such Annual Monitoring Report shall include a list of the Operating Costs paid by Grantee during such applicable prior Calendar Year and Grantee's certifications that (a) the total Grant Funds received by Grantee as of the end date of the applicable Calendar Year have been used only to pay Operating Costs, (b) all of Grantee's representations and warranties in this Agreement remain true and correct in all material respects as if made on the end date of such the applicable Calendar Year, (c) there is no Event of Default by Grantee as of the end date of the applicable Calendar Year, and (d) the party signing the Annual Monitoring Report is an officer of Grantee authorized to do so on Grantee's behalf.

6.2 Organizational Documents. Prior to the Effective Date, Grantee shall provide to City the following documents (collectively, the "Charter Documents"): a certified certificate of status and (a) if Grantee is a corporation, its bylaws, and a certified copy of its articles of incorporation; (b) if Grantee is limited partnership, its partnership agreement, a certified copy of its certificate of partnership, and the organizational documents of its general partner; and (c) if Grantee is a limited liability company, its operating agreement, a certified copy of its certificate of limited liability company, and the organizational documents of its manager. All certified documents to be provided pursuant to this Section shall be certified by the California Secretary of State or, if the entity for which a certified document is to be provided was not organized in the State of California, certified by the Secretary of State of such entity's state of organization, no earlier than two (2) months prior to the Effective Date. The Charter Documents must be delivered to the City in their original form and as amended from time to time.

6.3 Notification of Defaults or Changes in Circumstances. Grantee shall notify City immediately of (a) any Event of Default or event that, with the passage of time, would constitute an Event of Default; and (b) any change of circumstances that would cause any of the representations and warranties contained in Article 8 to be false or misleading at any time during the term of this Agreement.

6.4 Financial Statements. As noted in Section 6.1, Grantee shall also deliver to City, no later than one hundred twenty (120) days following the end of any Calendar Year, an audited balance sheet and the related statement of income and cash flows for such Calendar Year, certified by a reputable accounting firm as accurately presenting the financial position of Grantee, including any management letters supplied by the auditors.

6.5 Books and Records. Grantee shall establish and maintain accurate files and records of all aspects of Operating Expenses and Project Income and the matters funded in whole or in part with Grant Funds during the term of this Agreement. Without limiting the scope of the foregoing, Grantee shall establish and maintain accurate financial books and accounting records relating to Operating Costs incurred and paid and Grant Funds received and expended under this Agreement, together with all invoices, documents, payrolls, time records and other data related to the matters covered by this Agreement, whether funded in whole or in part with Grant Funds. Grantee shall maintain all of the files, records, books, invoices, documents, payrolls and other data required to be maintained under this Section in a readily accessible location and condition for a period of not less than five (5) years after final payment under this Agreement or until any final audit has been fully completed, whichever is later. Grantee agrees to maintain and make available to MOHCD, during regular business hours, accurate books and accounting records relating to the Project and the Relocated Households. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights

conferred upon MOHCD by this Section. All financial reports must be prepared and maintained in accordance with GAAP as in effect at the time of performance.

6.6 Inspection and Audit. Grantee shall make available to MOHCD, its employees and authorized representatives, during regular business hours all of the files, records, books, invoices, documents, payrolls and other data required to be established and maintained by Grantee under Section 6.5. Grantee shall permit MOHCD, its employees and authorized representatives to inspect, audit, examine and make excerpts and transcripts from any of the foregoing. The rights of MOHCD pursuant to this Section shall remain in effect so long as Grantee has the obligation to maintain such files, records, books, invoices, documents, payrolls and other data under this Article 6.

6.7 Submitting False Claims; Monetary Penalties. Grantee acknowledges and agrees that it is a "contractor" under and is subject to San Francisco Administrative Code Section 21.35. Under such Section 21.35, any contractor, subgrantee or consultant who submits a false claim shall be liable to City for three times the amount of damages which City sustains because of the false claim. A contractor, subgrantee or consultant who submits a false claim shall also be liable to City for the costs, including attorney's fees, of a civil action brought to recover any of those penalties or damages, and may be liable to City for a civil penalty of up to Ten Thousand Dollars (\$10,000) for each false claim. A contractor, subgrantee or consultant will be deemed to have submitted a false claim to City if the contractor, subgrantee or consultant: (a) knowingly presents or causes to be presented to an officer or employee of City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by City; (c) conspires to defraud City by getting a false claim allowed or paid by City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to City; or (e) is a beneficiary of an inadvertent submission of a false claim to City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to City within a reasonable time after discovery of the false claim.

6.8 Project Monitoring Generally. Grantee understands and agrees that it will be monitored by the City from time to time to assure compliance with all terms and conditions in this Agreement and all Applicable Laws. Grantee acknowledges that the City may also conduct periodic on-site inspections of the Project. Grantee must cooperate with the monitoring by the City and ensure full access to the Project and all information related to the Project as reasonably required by the City.

6.9 Notice Requirement for Changes in Director Positions. Grantee must provide written notice of the replacement of its executive director, director of housing development, director of property management and/or any equivalent position within thirty (30) days after the effective date of such replacement.

ARTICLE 7 TAXES

7.1 Grantee to Pay All Taxes. Grantee shall pay to the appropriate governmental authority, as and when due, any and all taxes, fees, assessments or other governmental charges, including possessory interest taxes and California sales and use taxes, levied upon or in connection with this Agreement, the Grant Funds or any of the activities contemplated by this Agreement.

7.2 Use of City Real Property. If at any time this Agreement entitles Grantee to the possession, occupancy or use of City real property for private gain, the following provisions shall apply:

(a) Grantee, on behalf of itself and any subgrantees, successors and assigns, recognizes and understands that this Agreement may create a possessory interest subject to property taxation and Grantee, and any subgrantee, successor or assign, may be subject to the payment of such taxes.

(b) Grantee, on behalf of itself and any subgrantees, successors and assigns, further recognizes and understands that any assignment permitted hereunder and any exercise of any option to renew or other extension of this Agreement may constitute a change in ownership for purposes of property taxation and therefore may result in a revaluation of any possessory interest created hereunder. Grantee shall report any assignment or other transfer of any interest in this Agreement or any renewal or extension thereof to the County Assessor within sixty (60) days after such assignment, transfer, renewal or extension.

(c) Grantee shall provide such other information as may be requested by City to enable City to comply with any reporting requirements under applicable law with respect to possessory interests.

7.3 Earned Income Credit (EIC) Forms. Administrative Code Section 120 requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

(a) Grantee shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty (30) days following the date on which this Agreement becomes effective (unless Grantee has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Grantee; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

(b) Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Grantee of the terms of this Agreement. If, within thirty (30) days after Grantee receives written notice of such a breach, Grantee fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Grantee fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law.

(c) Any Subcontract entered into by Grantee shall require the subgrantee to comply, as to the subgrantee's Eligible Employees, with each of the terms of this Section.

(d) Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 120 of the San Francisco Administrative Code.

ARTICLE 8 REPRESENTATIONS AND WARRANTIES

Grantee represents and warrants each of the following as of the date of this Agreement and at all times throughout the term of this Agreement:

8.1 Organization; Authorization. Grantee shall be a limited liability company or a limited partnership, and Grantee's manager, if Grantee is a limited liability company, or Grantee's general partner, or the general partner's sole member of the general partner (if general partner is a limited liability company), is a nonprofit corporation, duly organized and validly existing and in good standing under the laws of the jurisdiction in which it was formed, and which has established and maintains valid nonprofit status under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated thereunder. Grantee has duly authorized by all necessary action the execution, delivery and performance of this Agreement. Grantee has duly executed and delivered this Agreement and this Agreement constitutes a legal, valid and binding obligation of Grantee, enforceable against Grantee in accordance with the terms hereof.

8.2 Location. Grantee's operations, offices and headquarters are located at the address for notices set forth in Section 15.

8.3 No Misstatements. No document furnished or to be furnished by Grantee to MOHCD in connection with the Application Documents, this Agreement, or any other document relating to any of the foregoing, contains or will contain any untrue statement of material fact or omits or will omit a material fact necessary to make the statements contained therein not misleading, under the circumstances under which any such statement shall have been made.

8.4 Conflict of Interest. Through its execution of this Agreement, Grantee acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Section 87100 *et seq.* and Section 1090 *et seq.* of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify MOHCD if it becomes aware of any such fact during the term of this Agreement.

ARTICLE 9 INDEMNIFICATION AND GENERAL LIABILITY

9.1 Indemnification. Grantee shall indemnify, protect, defend and hold harmless each of the Indemnified Parties from and against any and all Losses arising from, in connection with or caused by: (a) a material breach of this Agreement by Grantee; (b) a material breach of any representation or warranty of Grantee contained in this Agreement; (c) any personal injury caused, directly or indirectly, by any act or omission of Grantee or its employees, subgrantees or agents; (d) any property damage caused, directly or indirectly by any act or omission of Grantee or its employees, subgrantees or agents; (e) the use, misuse or failure of any equipment or facility used by Grantee, or by any of its employees, subgrantees or agents, regardless of whether such equipment or facility is furnished, rented or loaned to Grantee by an Indemnified Party; (f) any tax, fee, assessment or other charge for which Grantee is responsible under Article 7; or (g) any infringement of patent rights, copyright, trade secret or any other proprietary right or trademark of any person or entity in consequence of the use by any Indemnified Party of any goods or services furnished to such Indemnified Party in connection with this Agreement. Grantee's obligations under the immediately preceding sentence shall apply to any Loss that is caused in whole or in part by the active or passive negligence of any Indemnified Party, but shall exclude any Loss caused solely by the willful misconduct or gross negligence of the Indemnified Party. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City.

9.2 Duty to Defend; Notice of Loss. Grantee acknowledges and agrees that its obligation to defend the Indemnified Parties under Section 9.1: (a) is an immediate obligation, independent of its other obligations hereunder; (b) applies to any Loss which actually or potentially falls within the scope of Section 9.1, regardless of whether the allegations asserted in connection with such Loss are or may be groundless, false or fraudulent; and (c) arises at the time the Loss is tendered to Grantee by the Indemnified Party and continues at all times thereafter. The Indemnified Party shall give Grantee prompt notice of any Loss under Section 9.1 and Grantee shall have the right to defend, settle and compromise any such Loss; provided, however, that the Indemnified Party shall have the right to retain its own counsel at the expense of Grantee if representation of such Indemnified Party by the counsel retained by Grantee would be inappropriate due to conflicts of interest between such Indemnified Party and Grantee. An Indemnified Party's failure to notify Grantee promptly of any Loss shall not relieve Grantee of any liability to such Indemnified Party pursuant to Section 9.1, unless such failure materially impairs Grantee's ability to defend such Loss. Grantee shall seek the Indemnified Party's prior written consent to settle or compromise any Loss if Grantee contends that such Indemnified Party shares in liability with respect thereto.

9.3 Incidental and Consequential Damages. Losses covered under this Article 9 shall include any and all incidental and consequential damages resulting in whole or in part from Grantee's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that any Indemnified Party may have under applicable law with respect to such damages.

9.4 LIMITATION ON LIABILITY OF CITY. CITY'S OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE AGGREGATE AMOUNT OF GRANT FUNDS ACTUALLY DISBURSED HEREUNDER. NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THIS AGREEMENT, THE APPLICATION DOCUMENTS OR ANY OTHER DOCUMENT OR COMMUNICATION RELATING TO THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE GRANT FUNDS OR ANY ACTIVITIES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

ARTICLE 10 INSURANCE

10.1 Types and Amounts of Coverage. Without limiting Grantee's liability pursuant to Article 9, Grantee shall maintain in force, during the full term of this Agreement, insurance in the following amounts and coverages:

(a) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than One Million Dollars (\$1,000,000) each accident, injury, or illness.

(b) Commercial General 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 Contractual Liability, Personal Injury, Products and Completed Operations.

(c) Commercial Automobile Liability Insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

(d) Professional liability insurance for negligent acts, errors or omission with respect to professional or technical services, if any, required in the performance of this Agreement with limits not less than One Million Dollars (\$1,000,000) each claim.

10.2 Additional Requirements for General and Automobile Coverage. Commercial General Liability and Commercial Automobile Liability insurance policies shall:

(a) Name as additional insured City and its officers, agents and employees. With respect to the Commercial Automobile Insurance the City and its officers, agents and employees shall only be additional insured as to liability arising out of the use, by Mercy employees, of automobiles, whether owned, leased, hired or borrowed, in connection with the Project.

(b) Provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to limits of liability.

10.3 Additional Requirements for All Policies. Contractor shall provide thirty (30) days' advance written notice to City of cancellation of policy for any reason, nonrenewal or reduction in coverage and specific notice mailed to City's address for notices pursuant to Article 15 .

10.4 Required Post-Expiration Coverage. Should any of the insurance required hereunder be provided under a claims-made form, Grantee shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three (3) years beyond the expiration or termination of this Agreement, to the effect that, should occurrences during the term hereof give rise to claims made after expiration or termination of the Agreement, such claims shall be covered by such claims-made policies.

10.5 General Annual Aggregate Limit/Inclusion of Claims Investigation or Legal Defense Costs. Should any of the insurance required hereunder be 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 such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

10.6 Evidence of Insurance. Before commencing any operations under this Agreement, Grantee shall furnish to City certificates of insurance, and additional insured policy endorsements, in form and with insurers satisfactory to City, evidencing all coverages set forth above, and shall furnish complete copies of policies promptly upon City's request. Before commencing any operations under this Agreement, Grantee shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

10.7 Effect of Approval. Approval of any insurance by City shall not relieve or decrease the liability of Grantee hereunder.

ARTICLE 11 EVENTS OF DEFAULT AND REMEDIES

11.1 Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Agreement:

(a) **False Statement.** Any statement, representation or warranty contained in this Agreement, in the Application Documents, or in any other document submitted to City under this Agreement is found by City to be false or misleading when made.

(b) **Improper Use of Grant Funds; Failure to Perform Other Covenants and Obligations.** Grantee uses Grant Funds for any purpose other than for the payment of Operating

Costs (or reimbursement for its advance payment thereof), fails to use the Subsidy Payments it receives to pay Operating Costs (or reimbursement for its advance payment thereof), or otherwise fails to perform or breaches any other agreement or covenant of this Agreement to be performed or observed by Grantee as and when performance or observance is due and such failure or breach continues for a period of ten (10) days after the date on which such performance or observance is due, or if such breach can not be cured in ten (10) days, then City shall not exercise its remedies hereunder as long as Grantee continues to diligently pursue a cure of the breach; provided, however, that: (i) in the case of an improper use of Grant Funds, in no event shall such cure period extend beyond thirty (30) days after the date on which such performance or observance is due, and (ii) in the case of other defaults under this Section 11.1(b), in no event shall such cure period extend beyond ninety (90) days after the date on which such performance or observance is due.

(c) **Default under City Loan Documents or Senior Loan Documents.** Grantee defaults under any City Loan Document or any of the Senior Loan Documents (after expiration of any grace period expressly stated in any such agreement).

(d) **Voluntary Insolvency.** Grantee (i) is generally not paying its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Grantee or of any substantial part of Grantee's property or (v) takes action for the purpose of any of the foregoing.

(e) **Involuntary Insolvency.** Without consent by Grantee, a court or government authority enters an order, and such order is not vacated within 60 days, (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Grantee or with respect to any substantial part of Grantee's property, (ii) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (iii) ordering the dissolution, winding-up or liquidation of Grantee.

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

(g) **Damage or Destruction.** All or a substantial or material portion of the Project is damaged or destroyed by fire or other casualty or is condemned, seized or appropriated by any non-City governmental agency or subject to any action or other proceeding instituted by any non-City governmental agency for any purpose with the result that the Project cannot be operated for its intended purpose.

(h) **Dissolution.** Grantee or Grantee's general partners are dissolved or liquidated or merged with or into any other entity or ceases to exist in its present form and (where applicable) in good standing and duly qualified under the laws of the jurisdiction of formation and California for any period of more than ten (10) days, or all or substantially all of Grantee's assets are sold or otherwise transferred except as permitted.

(i) **Assignment.** Without MOHCD's prior written consent, Grantee assigns or attempts to assign any rights or interest under this Agreement or encumber its interests hereunder, whether voluntarily or involuntarily, or voluntarily or involuntarily assigns or attempts to sell, lease, assign, encumber or otherwise transfer all or any portion of the ownership interests in Grantee or of its right, title or interest in the Project or the Real Property, other than: (a) leases, subleases or occupancy agreements to occupants of Units and/or Commercial Space in the Project; or (b) security interests for the benefit of lenders securing loans for the Project as approved by the City on terms and in amounts as approved by City in its reasonable discretion (c) transfers from Borrower to a limited partnership or limited liability company formed for the tax credit syndication of the Project, where Borrower or an affiliated nonprofit public benefit corporation is the sole general partner or manager of that entity; (d) transfers of the general partner's or manager's interest in Borrower to a nonprofit public benefit corporation approved in advance by the City; (e) transfers of any limited partnership or membership interest in Borrower to an investor pursuant to the tax credit syndication of the Project or any subsequent transfer of a limited partnership interest in Borrower by an investor limited partner in Borrower, or any direct or indirect transfer of a limited partnership interest or membership interest in any investor limited partner in Borrower; (f) any transfer permitted under the City Documents; or (g) the grant or exercise of an option agreement between Borrower and Borrower's general partner or manager or any of its affiliates in connection with the tax credit syndication of the Project. Any other transfer, assignment, encumbrance or lease without the City's prior written consent will be voidable and, at the City's election, constitute an Event of Default under this Agreement. The City's consent to any specific assignment, encumbrance, lease or other transfer will not constitute its consent to any subsequent transfer or a waiver of any of the City's rights under this Agreement.

(j) **Account Transfers.** Without MOHCD's prior written consent, to the extent such consent is required pursuant to this Agreement, Grantee transfers, or authorizes the transfer of, funds in any account required or authorized under this Agreement.

(k) **Changed Financing Condition.** Any material adverse change occurs in the financial condition or operations of Grantee, such as a loss of services funding or rental subsidies (excluding the reduction of any Subsidy Payment hereunder) that has a material adverse impact on the Project.

An Event of Default under this Agreement that remains uncured shall be a default under the City Loan Documents.

11.2 Remedies Upon Event of Default. Upon and during the continuance of an Event of Default, City may do any of the following, individually or in combination with any other remedy:

(a) **Termination.** City may terminate this Agreement by giving a written termination notice to Grantee and, on the date specified in such notice, this Agreement shall terminate and all rights and obligations of Grantee hereunder shall be extinguished. In the event of such termination, the City will allow Grantee to use previously disbursed Subsidy Payment funds to pay for only Operating Costs incurred prior to the termination date. The remaining balance of any Subsidy Payment not used to pay for previously incurred Operating Costs must be returned to the City.

(b) **Withholding of Grant Funds.** City may withhold all or any portion of Grant Funds not yet disbursed hereunder. Any Grant Funds withheld pursuant to this Section and subsequently disbursed to Grantee after cure of applicable Events of Default shall be disbursed without interest.

(c) **Offset.** City may offset against all or any portion of undisbursed Grant Funds hereunder or against any payments due to Grantee under the MOHCD Loan Agreement or any other agreement between Grantee and City the amount of any outstanding Loss incurred by any Indemnified Party, including any Loss incurred as a result of the Event of Default.

(d) **Return of Grant Funds.** City may demand the immediate return of any previously disbursed Grant Funds that have been claimed or expended by Grantee in breach of the terms of this Agreement, together with interest thereon from the date of disbursement at the maximum rate permitted under applicable law.

11.3 Remedies Nonexclusive. Each of the remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available under this Agreement, any other City Document and/or Applicable Laws. The remedies contained herein are in addition to all other remedies available to City at law or in equity by statute or otherwise and the exercise of any such remedy shall not preclude or in any way be deemed to waive any other remedy.

ARTICLE 12 DISCLOSURE OF INFORMATION AND DOCUMENTS

12.1 Proprietary or Confidential Information of City. Grantee understands and acknowledges that, in the performance of this Agreement or in contemplation thereof, Grantee may have access to private or confidential information that may be owned or controlled by City and that such information may contain proprietary or confidential information, the disclosure of which to third parties may be damaging to City. Grantee agrees that all information disclosed by City to Grantee shall be held in confidence and used only in the performance of this Agreement. Grantee shall exercise the same standard of care to protect such information as a reasonably prudent nonprofit entity would use to protect its own proprietary or confidential data.

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

12.3 Financial Projections. Pursuant to San Francisco Administrative Code Section 67.32, Grantee has on or before the date hereof provided to City financial projections, including profit and loss figures, for the Project. The Grantee acknowledges and agrees that the financial projections and audited financial statements required under this Agreement shall be public records subject to disclosure upon request.

ARTICLE 13 ASSIGNMENTS AND SUBCONTRACTING

13.1 No Assignment by Grantee. Grantee shall not, either directly or indirectly, assign, transfer, hypothecate, subcontract or delegate all or any portion of this Agreement or any rights, duties or obligations of Grantee hereunder without the prior written consent of City. This Agreement shall not, nor shall any interest herein, be assignable as to the interest of Grantee involuntarily or by operation of law without the prior written consent of City. A change of ownership or control of Grantee or a sale or transfer of substantially all of the assets of Grantee shall be deemed an assignment for purposes of this Agreement. Notwithstanding any provision of this Agreement to the contrary, this Section 13.1 shall not prevent transfers that are expressly permitted under the City Loan Documents.

13.2 Agreement Made in Violation of this Article. Any agreement made in violation of Section 13.1 shall confer no rights on any person or entity and shall automatically be null and void.

13.3 Subcontracting. Grantee shall not subcontract or assign any portion of this Agreement to any other party without the prior written consent of City; notwithstanding the foregoing, Grantee may subcontract for property management and maintenance without the consent of the City.

13.4 Grantee Retains Responsibility. Grantee shall in all events remain liable for the performance by any assignee or subgrantee of all of the covenants terms and conditions contained in this Agreement.

ARTICLE 14 INDEPENDENT CONTRACTOR STATUS

14.1 Nature of Agreement. Grantee shall be deemed at all times to be an independent contractor and is solely responsible for the manner in which Grantee uses the Grant Funds. Grantee shall at all times remain solely liable for the acts and omissions of Grantee, its officers and directors, employees and agents. Nothing in this Agreement shall be construed as creating a partnership, joint venture, employment or agency relationship between City and Grantee.

14.2 Direction. Any terms in this Agreement referring to direction or instruction from MOHCD or City shall be construed as providing for direction as to policy and the result of Grantee's work only, and not as to the means by which such a result is obtained.

14.3 Consequences of Recharacterization.

(a) Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Grantee is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Grantee which can be applied against this liability). City shall subsequently forward such amounts to the relevant taxing authority.

(b) Should a relevant taxing authority determine a liability for past services performed by Grantee for City, upon notification of such fact by City, Grantee shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Grantee under this Agreement (again, offsetting any amounts already paid by Grantee which can be applied as a credit against such liability).

(c) A determination of employment status pursuant to either subsection (a) or (b) of this Section 14.3 shall be solely for the purposes of the particular tax in question, and for all

other purposes of this Agreement, Grantee shall not be considered an employee of City. Notwithstanding the foregoing, if any court, arbitrator, or administrative authority determine that Grantee is an employee for any other purpose, Grantee agrees to a reduction in City's financial liability hereunder such that the aggregate amount of Grant Funds under this Agreement does not exceed what would have been the amount of such Grant Funds had the court, arbitrator, or administrative authority had not determined that Grantee was an employee.

ARTICLE 15 NOTICES AND OTHER COMMUNICATIONS

15.1 Requirements. Unless otherwise specifically provided herein, all notices, consents, directions, approvals, instructions, requests and other communications hereunder shall be in writing, shall be addressed to the person and address set forth below and shall be (a) deposited in the U.S. mail, first class, certified with return receipt requested and with appropriate postage, (b) hand delivered, (c) sent by facsimile (if a facsimile number is provided below), provided that a copy of such notice shall be deposited in the U.S. mail, first class, or (d) deposited with a nationally-recognized overnight delivery service, provided that next business-day delivery is requested:

If to MOHCD or City: Mayor's Office of Housing and Community Development
One South Van Ness, 5th Floor
San Francisco, CA 94103
Attn: Asset Manager
Telephone No.: 415-701-5500
Facsimile No.: 415-701-5501

If to Grantee: Broadway Sansome Associates, L.P.
1525 Grant Avenue
San Francisco, CA 94133
Attention: Executive Director

With a copy to: Silicon Valley Bank
555 Mission Street San Francisco, CA 94105
Attn: Vice President

With a copy to: Raymond James
880 Carillon Parkway
St. Petersburg, FL 33716
Attention: General Counsel

15.2 Effective Date. All communications sent in accordance with Section 15.1 shall become effective on the date of receipt. Such date of receipt shall be determined by: (a) if mailed, the return receipt, completed by the U.S. postal service; (b) if sent by hand delivery, a receipt executed by a duly authorized agent of the party to whom the notice was sent; (c) if sent by facsimile, the date of telephonic confirmation of receipt by a duly authorized agent of the party to whom the notice was sent or, if such confirmation is not reasonably practicable, the date indicated in the facsimile machine transmission report of the party giving such notice; or (d) if sent by nationally-recognized overnight delivery service, the next business day following deposit therewith, provided that next business-day delivery is requested.

15.3 Change of Address. From time to time any party hereto may designate a new address for purposes of this Article 15 by notice to the other party.

ARTICLE 16 COMPLIANCE

16.1 Left blank by agreement of the Parties.

16.2 Nondiscrimination; Penalties.

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

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

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

(d) **Condition to Contract.** As a condition to this Agreement, Grantee shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

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

16.3 MacBride Principles--Northern Ireland. Pursuant to San Francisco Administrative Code Section 12F.5, City urges companies doing business in Northern Ireland to move towards

resolving employment inequities, and encourages such companies to abide by the MacBride Principles. City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Grantee acknowledges and agrees that he or she has read and understood this Section.

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

16.5 Drug-Free Workplace Policy. Grantee acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Grantee and its employees, agents or assigns shall comply with all terms and provisions of such Act and the rules and regulations promulgated thereunder.

16.6 Resource Conservation; Liquidated Damages. Chapter 5 of the San Francisco Environment Code (Resource Conservation) is incorporated herein by reference. Failure by Grantee to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract. If Grantee fails to comply in good faith with any of the provisions of Chapter 5, Grantee shall be liable for liquidated damages in an amount equal to Grantee's net profit under this Agreement, or five percent (5%) of the total contract amount, whichever is greater. Grantee acknowledges and agrees that the liquidated damages assessed shall be payable to City upon demand and may be offset against any monies due to Grantee from any contract with City.

16.7 Compliance with ADA. Grantee acknowledges that, pursuant to the ADA, programs, services and other activities provided by a public entity to the public, whether directly or through a grantee or contractor, must be accessible to the disabled public. Grantee shall not discriminate against any person protected under the ADA in connection with its activities hereunder and shall comply at all times with the provisions of the ADA.

16.8 Requiring Minimum Compensation for Employees.

a. Grantee agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Grantee's obligations under the MCO is set forth in this Section. Grantee is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Grantee to pay Grantee's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Grantee is obligated to keep informed of the then-current requirements. Any subcontract entered into by Grantee shall require the subgrantee to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Grantee's obligation to ensure that any subgrantees of any tier under this Agreement comply with the requirements of the MCO. If any subgrantee under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Grantee.

c. Grantee shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Grantee shall maintain employee and payroll records as required by the MCO. If Grantee fails to do so, it shall be presumed that the Grantee paid no more than the minimum wage required under State law.

e. The City is authorized to inspect Grantee's job sites and conduct interviews with employees and conduct audits of Grantee

f. Grantee's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Grantee fails to comply with these requirements. Grantee agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Grantee's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Grantee understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Grantee fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Grantee fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

h. Grantee represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Grantee is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Grantee later enters into an agreement or agreements that cause Grantee to exceed that amount in a fiscal year, Grantee shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Grantee and this department to exceed \$25,000 in the fiscal year.

16.9 Limitations on Contributions. Through execution of this Agreement, Grantee acknowledges that it is familiar with Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease

of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Grantee acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Grantee further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Grantee's board of directors; Grantee's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Grantee; any subgrantee listed in the bid or contract; and any committee that is sponsored or controlled by Grantee. Additionally, Grantee acknowledges that Grantee must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

16.10 First Source Hiring Program.

a. Incorporation of Administrative Code Provisions by Reference. The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

b. First Source Hiring Agreement. As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs maybe certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

(2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco

Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

(4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

(7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

(8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

(9) Require the Grantee to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

c. Hiring Decisions. Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

d. Exceptions. Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

e. Liquidated Damages. Contractor agrees:

(1) To be liable to the City for liquidated damages as provided in this section;

(2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

(3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

(4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to \$10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

(5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

A. The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of \$348 per month, totaling approximately \$14,379; and

B. In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year;

therefore, liquidated damages that total \$5,000 for first violations and \$10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City by the failure of a contractor to comply with its first source referral contractual obligations.

(6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

f. **Subcontracts.** Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

16.11 Prohibition on Political Activity with City Funds. In accordance with S. F. Administrative Code Chapter 12.G, no funds appropriated by the City and County of San Francisco for this Agreement may be expended for organizing, creating, funding, participating in, supporting, or attempting to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity"). The terms of San Francisco Administrative Code Chapter 12.G are incorporated herein by this reference. Accordingly, an employee working in any position funded under this Agreement shall not engage in any Political Activity during the work hours funded hereunder, nor shall any equipment or resource funded by this Agreement be used for any Political Activity. In the event Grantee, or any staff member in association with Grantee, engages in any Political Activity, then (i) Grantee shall keep and maintain appropriate records to evidence compliance with this Section, and (ii) Grantee shall have the burden to prove that no funding from this Agreement has been used for such Political Activity. Grantee agrees to cooperate with any audit by the City or its designee in order to ensure compliance with this Section. In the event Grantee violates the provisions of this Section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement and any other agreements between Grantee and City, (ii) prohibit Grantee from bidding on or receiving any new City contract for a period of two (2) years, and (iii) obtain reimbursement of all funds previously disbursed to Grantee under this Agreement.

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

16.13 Supervision of Minors. Grantee, and any subgrantees, shall comply with California Penal Code section 11105.3 and request from the Department of Justice records of all convictions or any arrest pending adjudication involving the offenses specified in Welfare and Institution Code section 15660(a) of any person who applies for employment or volunteer position with Grantee, or any subgrantee, in which he or she would have supervisory or disciplinary power over a minor under his or her care.

If Grantee, or any subgrantee, is providing services at a City park, playground, recreational center or beach (separately and collectively, "Recreational Site"), Grantee shall not hire, and shall prevent its subgrantees from hiring, any person for employment or volunteer position to provide those services if that person has been convicted of any offense that was listed in former Penal Code section 11105.3 (h)(1) or 11105.3(h)(3).

If Grantee, or any of its subgrantees, hires an employee or volunteer to provide services to minors at any location other than a Recreational Site, and that employee or volunteer has been convicted of an offense specified in Penal Code section 11105.3(c), then Grantee shall comply, and cause its subgrantees to comply with that section and provide written notice to the parents or guardians of any minor who will be supervised or disciplined by the employee or volunteer not less than ten (10) days prior to the day the employee or volunteer begins his or her duties or tasks. Grantee shall provide, or cause its subgrantees to provide City with a copy of any such notice at the same time that it provides notice to any parent or guardian.

Grantee shall expressly require any of its subgrantees with supervisory or disciplinary power over a minor to comply with this section of the Agreement as a condition of its contract with the subgrantee.

Grantee acknowledges and agrees that failure by Grantee or any of its subgrantees to comply with any provision of this section of the Agreement shall constitute an Event of Default.

16.14 Protection of Private Information. Grantee agrees to comply fully with and be bound by all of the provisions of Chapter 12M of the San Francisco Administrative Code ("Protection of Private Information"), including the remedies provided. The provisions of Chapter 12M are incorporated herein by reference and made a part of this Agreement as though fully set forth. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12M. Consistent with the requirements of Chapter 12M, Grantee agrees to all of the following:

(a) Neither Grantee nor any of its subgrantees shall disclose Private Information obtained from the City in the performance of this Agreement to any other subgrantee, person, or other entity, unless one of the following is true:

- (1) The disclosure is authorized by this Agreement;
- (2) The Grantee received advance written approval from the Contracting Department to disclose the information; or
- (3) The disclosure is expressly required by a judicial order.

(b) Any disclosure or use of Private Information authorized by this Agreement shall be in accordance with any conditions or restrictions stated in this Agreement. Any disclosure or

use of Private Information authorized by a Contracting Department shall be in accordance with any conditions or restrictions stated in the approval.

(c) "Private Information" shall mean any information that: (1) could be used to identify an individual, including without limitation, name, address, social security number, medical information, financial information, date and location of birth, and names of relatives; or (2) the law forbids any person from disclosing.

(d) Any failure of Grantee to comply with Chapter 12M shall be a material breach of this Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate this Agreement, debar Grantee, or bring a false claim action against Grantee.

16.15 Public Access to Meetings and Records. If the Grantee receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, the Grantee shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Grantee agrees to open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the Administrative Code. The Grantee further agrees to make good-faith efforts to promote community membership on its Board of Directors in the manner set forth in Section 12L.6 of the Administrative Code. The Grantee acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Grantee further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

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

Grantee shall remove all graffiti from any real property owned or leased by Grantee in the City and County of San Francisco within forty eight (48) hours of the earlier of Grantee's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This Section is not intended to require a Grantee to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 *et seq.*) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. Sections 101 *et seq.*).

Any failure of Grantee to comply with this Section shall constitute an Event of Default of this Agreement.

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

16.18 Slavery Era Disclosure.

(a) Grantee acknowledges that this Agreement shall not be binding upon the City until the Director receives the affidavit required by the San Francisco Administrative Code's Chapter 12Y, "San Francisco Slavery Era Disclosure Ordinance."

(b) In the event the Director finds that Grantee has failed to file an affidavit as required by Section 12Y.4(a) and this Agreement, or has willfully filed a false affidavit, the Grantee shall be liable for liquidated damages in an amount equal to the Grantee's net profit on the Agreement, 10 percent of the total amount of the Agreement, or \$1,000, whichever is greatest as determined by the Director. Grantee acknowledges and agrees that the liquidated damages assessed shall be payable to the City upon demand and may be set off against any monies due to the Grantee from any Agreement with the City.

(c) Grantee shall maintain records necessary for monitoring their compliance with this provision.

16.19 Compliance with Other Laws. Without limiting the scope of any of the preceding sections of this Article 16, Grantee shall keep itself fully informed of City's Charter, codes, ordinances and regulations and all state, and federal laws, rules and regulations affecting the performance of this Agreement and shall at all times comply with such Charter codes, ordinances, and regulations rules and laws.

**ARTICLE 17
MISCELLANEOUS**

17.1 No Waiver. No waiver by MOHCD or City of any default or breach of this Agreement shall be implied from any failure by MOHCD or City to take action on account of such default if such default persists or is repeated. No express waiver by MOHCD or City shall affect any default other than the default specified in the waiver and shall be operative only for the time and to the extent therein stated. Waivers by City or MOHCD of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by MOHCD or City of any action

requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act.

17.2 Modification. This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement.

17.3 Administrative Remedy for Agreement Interpretation. Should any question arise as to the meaning or intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to the director or president, as the case may be, of MOHCD who shall decide the true meaning and intent of the Agreement. Such decision shall be final and conclusive.

17.4 Governing Law; Venue. The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California, without regard to its conflict of laws principles. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

17.5 Headings. All article and section headings and captions contained in this Agreement are for reference only and shall not be considered in construing this Agreement.

17.6 Entire Agreement. This Agreement and the Application Documents set forth the entire Agreement between the parties, and supersede all other oral or written provisions. If there is any conflict between the terms of this Agreement and the Application Documents, the terms of this Agreement shall govern. The following appendices are attached to and a part of this Agreement:

- Exhibit A, List of Relocated Households
- Exhibit B, Real Property Legal Description
- Exhibit C, Annual Operating Budget
- Exhibit D, Lobbying/Debarment Certification Form
- Exhibit E, Annual Monitoring Report

17.7 Certified Resolution of Signatory Authority. Upon request of City, Grantee shall deliver to City a copy of the corporate resolution(s) authorizing the execution, delivery and performance of this Agreement, certified as true, accurate and complete by the secretary or assistant secretary of Grantee.

17.8 Severability. Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

17.9 Successors; No Third-Party Beneficiaries. Subject to the terms of Article 13, the terms of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. Nothing in this Agreement, whether express or implied, shall be construed to give any person or entity (other than the parties hereto and their respective successors and assigns and, in the case of Article 9, the Indemnified Parties) any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

17.10 Survival of Terms. The obligations of Grantee and the terms of the following provisions of this Agreement shall survive and continue following expiration or termination of this Agreement:

- Section 6.4 Financial Statements.
- Section 6.5 Books and Records.
- Section 6.6 Inspection and Audit.
- Section 6.7 Submitting False Claims;
Monetary Penalties
- Section 6.8 Ownership of Results.
- Article 7 Taxes
- Article 9 Indemnification and
General Liability
- Section 10.4 Required Post-Expiration
Coverage.
- Article 12 Disclosure of Information
and Documents
- Section 13.4 Grantee Retains
Responsibility.
- Section 14.3 Consequences of
Recharacterization.
- Article 17 Miscellaneous

17.11 Further Assurances. From and after the date of this Agreement, Grantee agrees to do such things, perform such acts, and make, execute, acknowledge and deliver such documents as may be reasonably necessary or proper and usual to complete the transactions contemplated by this Agreement and to carry out the purpose of this Agreement in accordance with this Agreement.

17.12 Dispute Resolution Procedure. Intentionally omitted.

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

[REMAINDER OF PAGE INTENTIONALLY BLANK]

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

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Edwin M. Lee
Mayor

By: _____
Olson Lee
Director, Mayor's Office of Housing
and Community Development

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: _____
Deputy City Attorney

GRANTEE:

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood Section 16.2, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

Broadway Sansome Associates, L.P.

a California limited partnership

By: CHINATOWN COMMUNITY
DEVELOPMENT CENTER,
a California nonprofit public benefit
corporation, its General Partner

By: _____
Name: Norman Fong
Its: Executive Director

Federal Tax ID #: _____

City Vendor Number: _____

EXHIBIT A
List of Relocated Households

EXHIBIT A

Former Unit #	Unit #	First Name	Last Name	# of HH members	Date of Birth	Age	Sex	Head of H	Comments
#1	207	Zhuo Sheng	Guan	5	2/5/1972	44	M	Head of H	
	207	Qi Ming	Liang		9/15/1979	37	F		
	207	Victor	Guan		6/17/2007	9	M		
	207	Gavin	Guan		9/2/2009	7	M		
#2	407	Angela	Guan		8/18/2012	4	F		New, was not displaced
	407	Shi Sen	Zhu	4	5/27/1963	53	M	Head of H	
	407	Ai N	Chen		12/20/1970	45	F		
	407	Shan Shan	Zhu		11/11/2005	10	F		
#3A	407	Andy	Zhu		9/16/2009	7	M		
	309	Jun Yu	Tan	3	9/13/1955	61	M	Head of H	
	309	Xiu Xian	Li		7/12/1956	60	F		
#3B	309	Rui Bin	Tan		***	28	****		
	615	Rong Guang	Guan	3	10/18/1958	57	M	Head of H	
	615	Mei Qing	Zhou		4/27/1966	50	F		
#7A	615	Jin Ling	Guan		6/22/2005	11	F		Chao Peng Guan did not move in.
	715	Eileen	Lee	4	7/31/1960	56	F	Head of H	
	715	Kenneth	Lee		12/2/1962	53	M		
	715	Celeste	Lee		2/5/1930	86	F		Celeste Lee was displaced with family.
#9A	415	Yong Hui	Mei	2	5/12/1969	47	M	Head of H	Kim Lee - deceased
	415	Xiao Mei	Li		6/6/1966	50	F		Jing Tae Mei did not move in
#9B	202	Ding Hua	Tong	2	10/19/1950	65	F	Head of H	
	202	Qiu Xiang	Liang		12/15/1942	73	M		
#10	305	Jin Sen	Kuang	2	11/24/1927	88	M	Head of H	
	305	Chun Gui	Zhao		3/10/1936	80	F		
#11	507	Wei Zhang	Situ	4	9/15/1963	53	M	Head of H	
	507	Christina	Leung		6/27/1970	46	F		
	507	Sonny	Situ		8/12/2000	16	M		
	507	Lotus	Situ		8/26/2002	14	F		
#14	307	Wei Zhong	Li	7	2/17/1960	56	M	Head of H	
	307	Dai Di	Wu		3/28/1960	56	F		
	307	Keng Heng	Li		2/20/1987	29	M		
	307	Keng Hua	Li		4/28/1991	25	M		
	307	Yena	Li		12/10/1992	23	F		
	307	LingLing	Zhang		8/24/1990	26	F		New, was not displaced
#16	307	Cherry Zhang	Li		8/13/2014	2	F		New, was not displaced
	411	Bing Yuan	Mo	2	1/2/1934	82	M	Head of H	
#17	411	Su Juan	Zhao		9/22/1939	77	F		
		Yan Ying	Huang	1	10/6/1941	74	F	Head of H	

Total: 39

EXHIBIT B
Legal Description of the Land

A LEASEHOLD INTEREST IN THE FOLLOWING LAND SITUATED IN THE CITY
OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA,
DESCRIBED AS FOLLOWS:

SEE ATTACHED

EXHIBIT B

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

PARCEL ONE

COMMENCING at the point of intersection of the southerly line of Broadway and the westerly line of Battery Street; running thence southerly and along said line of Battery Street 70 feet; thence at a right angle westerly 137 feet 6 inches; thence at a right angle northerly 70 feet to the southerly line of Broadway; thence at a right angle easterly along said line of Broadway 137 feet 6 inches to the point of commencement.

EXCEPTING THEREFROM that portion of said land described in the Director's Deed from the State of California to Spencer Mastick et al recorded April 17, 1956 in Book 6827 Page 67, Official Records of the City and County of San Francisco.

Being a portion of Assessor's Block No.165.

PARCEL TWO

COMMENCING at the intersection of the southerly line of Broadway with the line common to the properties, now or formerly, of Spencer Mastick et al and of D.F. DeBernardi and Co., a corporation, said intersection being distant S. $80^{\circ}54'41''$ W., 137.57 feet from the westerly line of Battery Street; thence along said line of Broadway, S. $80^{\circ}54'41''$ W., 20.00 feet to a line common to the properties, now or formerly, of Spencer Mastick et al and of Charles Morosin et ux; thence along said common property line S. $9^{\circ}05'19''$ E., 70.00 feet; thence N. $80^{\circ}54'41''$ E., 20.00 feet to the aforesaid common property line of Spencer Mastick et al and of D.F. DeBernardi and Co.; thence along last said common property line N. $9^{\circ}05'19''$ W., 70.00 feet to the point of commencement.

Being a portion of Assessor's Block No.165.

PARCEL THREE

COMMENCING at a point on the easterly line of Sansome Street distant thereon 50 feet southerly from the southerly line of Broadway; running thence southerly along said line of Sansome Street 20 feet to the northerly line of Stevens Alley; thence at a right angle easterly along said line of Stevens Alley 50 feet; thence at a right angle northerly 20 feet; thence at a right angle westerly 50 feet to the point of commencement.

Being a portion of Assessor's Block No.165.

PARCEL FOUR

COMMENCING at a point on the southerly line of Broadway distant thereon 49 feet easterly from the easterly line of Sansome Street; running thence easterly along said line of Broadway

21 feet to the westerly line of Stevens Alley; thence at a right angle southerly along said line of Stevens Alley 70 feet to the northerly line of Stevens Alley; thence at a right angle westerly along said northerly line of Stevens Alley 20 feet; thence at a right angle northerly 20 feet; thence at a right angle westerly 1 foot; thence at a right angle northerly 50 feet to the point of commencement.

Being a portion of Assessor's Block No.165.

PARCEL FIVE

COMMENCING at the point of intersection of the southerly line of Broadway with the easterly line of Sansome Street; running thence easterly and along said southerly line of Broadway 49 feet; thence at a right angle southerly 50 feet; thence at a right angle westerly 49 feet to the easterly line of Sansome Street; thence at a right angle northerly along said line of Sansome Street 50 feet, to the southerly line of Broadway and the point of commencement.

Being a portion of Assessor's Block No.165.

PARCEL SIX

COMMENCING at a point on the southerly line of Broadway distant thereon 77 feet 6 inches easterly from the easterly line of Sansome Street; running thence easterly and along said line of Broadway 40 feet; thence at a right angle southerly 70 feet; thence at a right angle westerly 20 feet; thence at a right angle northerly 1 foot 3 inches; thence at a right angle westerly 20 feet to the easterly line of Stevens Alley; thence at a right angle northerly along said line of Stevens Alley 68 feet 9 inches to the point of commencement.

Being a portion of Assessor's Block No.165.

PARCEL SEVEN

Beginning at the point of intersection of the southerly line of Broadway (82.50 feet wide) with the westerly line of Stevens Alley (7.50 feet wide) as said Stevens Alley existed prior to the vacation thereof by Resolution No. 392-61 adopted June 19, 1961, by the Board of Supervisors of the City and County of San Francisco, State of California; thence southerly along said line of Stevens Alley 70 feet to the northerly line of said Stevens Alley; thence at a right angle easterly 7.50 feet to the easterly line of said Stevens Alley; thence at a right angle northerly along said easterly line of Stevens Alley 70 feet to said southerly line of Broadway; thence at a right angle westerly, along said line of Broadway 7.50 feet to the point of beginning.

Being a portion of Assessor's Block No.165.

PARCEL EIGHT

Beginning at a point on the southerly line of Broadway (82.50 feet wide), distant thereon 157.50 feet westerly from the westerly line of Battery Street (69.03 feet wide); thence westerly along said line of Broadway 0.52 feet to a point distant thereon 117.50 feet easterly from the easterly line of Sansome Street (68.79 feet wide); thence southerly at a right angle to said line of Broadway 70 feet; thence at a right angle easterly 0.52 feet to a point perpendicularly distant

157.50 feet westerly from said westerly line of Battery Street; thence northerly at a right angle to said southerly line of Broadway 70 feet to the point of beginning.

Being a portion of Assessor's Block No. 165.

Assessor's Lot: 021; Block: 0165

EXHIBIT C
Annual Operating Budget

INTENTIONALLY OMITTED

EXHIBIT D

Lobbying/Debarment Certification Form

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

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

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

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

[NAME OF BORROWER]:

BY: _____

NAME: _____

TITLE: _____

DATE: _____

EXHIBIT E
Annual Monitoring Report

Mayor's Office of Housing and Community Development
City and County of San Francisco



Edwin M. Lee
Mayor

Olson Lee
Director

February 16, 2016

Notice of Availability of 2015 Annual Monitoring Report Form
(including new audit requirements and deadline)

Announcement of Serious Incident Protocol

The Annual Monitoring Report (AMR) forms for Reporting Year 2015 (RY2015) are available. The forms can be downloaded from the [Asset Management page](#) of the MOHCD web site. A training on how to complete the AMR will be held at MOHCD on March 16 from 9 a.m. to 12 noon. See below for more information.

New Audit Requirement and Deadline: To provide sufficient time for sponsors to complete AMRs in accordance with the City's "New Audit Requirements for MOHCD-Funded Projects," the report is now due 5 months after the end of a project's business year. (Previously, it was due 4 months after.) For projects whose business year ended December 31, 2015, the report will be due on May 31, 2016. For projects not owned by a single-asset entity and whose financial activity is accounted for and audited with the parent corporation's finances, sponsors may request up to a one-month extension of the deadline to allow for additional time to complete consolidated audited financial statements in accordance with the new audit requirements.

Submissions for RY2015 and any outstanding reports from prior reporting years will be accepted only in the RY2015 format.

Completion and Submission Instructions

The AMR consists of the following 3 parts:

I. Project Activity Report – This is a Microsoft Excel spreadsheet that is comprised of the following worksheets:

- | | |
|------------------------------------|--|
| Instructions | 4. Narrative (new item for misc. exps. >\$10K) |
| 1A. Property & Residents (revised) | 5. Project Financing |
| 1B. Transitional Programs | 6. Services Funding (enhanced) |
| 1C. Eviction Data | 7. Supplementary Information Required by MOHCD (new) |
| 2. Fiscal Activity (revised) | Completeness Tracker (previously "Checklist") |
| 3. Occupancy & Rent Info | |

Provide all applicable information that is requested in worksheets 1-7. Use the Instructions to help you complete each form and the Completeness Tracker to help you to determine when each worksheet is complete and to compile all submittals required for the entire AMR.

Use Question #1 on the Narrative worksheet to explain any data that you provide that may be unclear or better understood with additional information. In addition, certain questions in this report prompt you to supply an explanation for your answers on the Narrative worksheet. *Failure*

to supply the required explanation will render your submission incomplete.

Submit this report as an Excel file only; do not convert it to pdf or another file type. Changing the format of the Project Activity Report without MOHCD's prior approval is not allowed. Do not overwrite any validations for any of the cells, alter any formulas or add or delete any rows or columns. If you need to revise the form in order to successfully complete the report, submit a request to moh.amr@sfgov.org.

II. Owner Compliance Certification Form and Documentation of Insurance – The certification form is a Microsoft Word document that must be completed, signed and dated by the Executive Director (or other authorized officer of the entity that owns the project). Scan the form along with documentation of insurance and email it to MOHCD as a single document. *For each project, you must provide current certificates of liability insurance and property insurance.*

III. Audited Financial Statements – Provide financial statements for the project for Reporting Year 2015. They must be prepared by a certified public accountant in accordance with generally accepted accounting principles, applicable regulations and laws and with the City's "New Audit Requirements for MOHCD-Funded Projects" a copy of which is attached and posted on [MOHCD's Asset Management web page](#). If the project is owned by a single asset entity, provide separate financial statements just for the project, otherwise provide audited statements for the parent corporation. Also include copies of any Management Letters and special notes from the auditor that pertain to the property and the financial statements.

Completed AMRs must be submitted electronically, via one email message per project to moh.amr@sfgov.org, or if desired, for multiple projects, via flash drive or compact disc sent to Mike McLoone at MOHCD. If the documents that comprise the report are too large to attach to a single email, compress the files into a zip file and attach it to the email.

Updates to the Reporting Form

The RY2015 AMR form has been revised from the form for RY2014, as follows:

- Formatting and Content – The formatting in key parts of the report has been improved, and redundant and unnecessary content has been eliminated.
- The Checklist has been revised, renamed "Completeness Tracker" and is now the final sheet in the workbook.
- Worksheet 1A – The number of categories under "Target/Actual Populations" has been reduced.
- Worksheet 2 – A new line item titled "Capital Maintenance Repairs/Improvements" has been added to the expense section to account for capital costs that were paid out of the operating account and may be reimbursed by the Replacement Reserve. The "Reserve Account Details" section has been revised to improve functionality. The section for cash flow "waterfall" (distribution of Surplus Cash) has been simplified and now requires the user to enter the distribution priority as well as the amount of any Residual Receipts loan payment that is due to MOHCD, which previously was auto-calculated.
- Worksheet 6 – Has been enhanced so that supportive services that are selected on Worksheet 1A are auto-filled into Worksheet 6
- Worksheet 4 – New section added where reporters must provide the details of miscellaneous administrative and maintenance expenditures that exceed \$10,000
- Worksheet 7 – This new worksheet has been added in connection with the City's "New Audit Requirements for MOHCD-Funded Projects." Most fields on this sheet are auto-filled with data that is entered on Worksheet 2. Printouts of this sheet may be used to produce the "Supplementary Information Required by MOHCD" that must now be included in the project's audited financial statements. If the auditor elects to use this sheet for this purpose, some data entry on the sheet is required in the yellow-highlighted cells.

AMR Training – March 16, 9am-12noon

To facilitate completion of the AMR by project sponsors, MOHCD will conduct a training on March 16 from 9 a.m. to 12 noon in our office at 1 South Van Ness Avenue, 5th Floor, Room 5080. We strongly encourage the primary staff person responsible for completion of the report to attend. Space is limited. Please RSVP to Ricky Lam at ricky.lam@sfgov.org or 415-701-5542.

Serious Incident Protocol

To ensure that MOHCD is kept informed of serious incidents that occur at projects financed by this office, we have established the following protocol for reporting serious, negative events such as accidents, criminal activity or equipment failure. The report should be filed only after emergency procedures have been followed and the situation has been stabilized.

The Mayor's Office of Housing and Community Development requests that owners of projects financed by this office notify us immediately if a serious incident occurs at their properties and meets one or more of the following parameters:

- Involves serious injury or death
- Is a serious, violent crime that involves a major police action (e.g. shooting)
- Causes the building or a significant number of units to be off-line
- Requires a resident to move out of a unit one month or longer
- Damage to the building is significant enough to require the use of reserves

The owner should notify the MOHCD asset manager assigned to the project and provide the following information:

- The date of the incident
- A description of the incident
- A description of what has been and is being done in response
- The name, phone and email of the staff that should be contacted if there are questions
- Confirmation that 1) the property insurance is current and 2) the insurance company has been contacted; a brief summary of their response, if available
- Statement of whether or not the organization plans to use the project's reserves to pay for corrective action

Available Units and Waiting List Openings

Before advertising the availability of units for lease in a project or the opening of the waiting list, owners and property managers must notify MOHCD of this action by completing a Marketing Plan Template and submitting it to the assigned staff person on MOHCD's asset management and compliance monitoring team. The template is available on the [Asset Management page](#) of our web site. Once the marketing plan is approved, MOHCD will post information about the available units or opening of the wait list on this [page of our web site](#). General information for people seeking affordable housing in San Francisco can also be found on our web site at [this location](#).

**Annual Monitoring Report - Property & Residents - Reporting Year 2015 -
Mayor's Office of Housing & Community Development**

#	IDENTIFYING INFO	
1		Reporting Period Start Date (m/d/yyyy)
2		Reporting Period End Date (m/d/yyyy)
3		Property Name
4		Property Full Street Address (e.g. "123 Main Street")
	CONTACT INFO	
5		Sponsor Executive Director Name
6		Sponsor Executive Director Phone Number
7		Sponsor Executive Director E-mail
8		Property Management Company
9		Property Manager Name
10		Property Manager Phone Number
11		Property Manager E-mail
12		Property Supervisor Name
13		Property Supervisor Phone Number
14		Property Supervisor E-mail
15		Property Owner Name
16		Property Owner Contact Person
17		Property Owner Contact Phone Number
18		Property Owner Contact E-mail
19		Property Asset Manager Name
20		Property Asset Manager Phone Number
21		Property Asset Manager E-mail
22		AMR Preparer's Name
23		AMR Preparer's Phone Number
24		AMR Preparer's E-mail

PROPERTY INFO					
What is the Unit Mix for the Property? Please include any manager's units in this tally. For Transitional Housing, Residential Treatment Program, Shelter or Transitional Group Homes, please skip Questions 25-32, and continue with Question 33. Please also complete the worksheet titled "1B. Transitional Programs Only."					
	Unit Types	Number Of Units	Occupancy Standard: Minimum HH Size for this Unit Type*	Occupancy Standard: Maximum HH Size for this Unit Type*	*Occupancy Standards should be described in project's Approved Tenant Selection and Marketing Plan. If not defined there, supply the standards used organization-wide.
25	Single Room Occupancy (SRO) Units		1		You MUST provide Min AND Max Occupancy Standards for any Unit Types where Number of Units entered is >0; data entry is required for any cells in Cols J & K that are blank and have no shading.
26	Studio Units		1		
27	One-Bedroom (1BR) Units		1		
28	Two-Bedroom (2BR) Units				
29	Three-Bedroom (3BR) Units				
30	Four-Bedroom (4BR) Units				
31	Five- or More (5+BR) Bedroom Units				
32	TOTAL # Units---->	0			
33		What is the date of the last Capital Needs Assessment? (m/d/yyyy)			
34		What is the projected date of the next Capital Needs Assessment? (m/d/yyyy)			
35		# 2	How many Health, Building or Housing Code Violations were issued against the property in the reporting year? (If there were no violations enter "0"). If the property was cited for code violations in the reporting year or has open, unresolved violations from prior years as indicated below, you must answer Question #2 on the Narrative worksheet. (Click on #2 at left to jump to Narrative worksheet.)		
36			How many Health, Building or Housing Code Violations were open from <i>prior</i> years?		
37			How many Health, Building or Housing Code Violations were cleared in the reporting year?		
38		# 3	Are there urgent Major Property Repairs needed on the property in the next two years? (Yes/No) If there are needed major repairs you must answer Question #3 on the Narrative worksheet. (Click on #3 at left to jump to Narrative worksheet.)		

39		# 3 If the property has Immediate Capital Needs and lacks adequate funds in the Replacement Reserve (or elsewhere) to cover the costs, please supply the amount of funds needed to make up the difference, and supply additional explanation in question #3 of the Narrative report. (Click on # 3 at left to jump to Narrative worksheet.)
40		As of the last day of the reporting period, how many units were fully Accessible to Physically Impaired Tenants ?
41		As of the last day of the reporting period, how many units were Adaptable for Physically Impaired Tenants ?
42		As of the last day of the reporting period, how many units were fully Accessible to Visually Impaired Tenants ?
43		As of the last day of the reporting period, how many units were fully Accessible to Hearing Impaired Tenants ?
<p>Resident Services: AN ANSWER IS REQUIRED FOR questions 44-54. Indicate below any services that were available to the residents free of charge, on site or at another designated location within 1/4 mile of the project. You must also provide additional information about each of the marked services below on Worksheet "6. Services Funding."</p>		
44		After School Program/s (y/n)
45		Licensed Day Care Service (<i>participant fees are allowable for day care ONLY</i>) (y/n)
46		Youth Program/s (y/n)
47		Educational Classes (e.g. basic skills, computer training, ESL) (y/n)
48		Health and Wellness Services/Programs (y/n)
49		Employment Services (y/n)
50		Case Management, Information and Referrals (y/n)
51		Benefits Assistance and Advocacy; Money Management; Financial Literacy and Counseling (y/n)
52		Support Groups, Social Events, Organized Tenant Activities (y/n)
53		Other Service #1 - Please specify in column G.

54		Go To W56 Other Service #2 - Please specify in column G.
55		Is the project any of the following: Transitional Housing, Residential Treatment Program, Shelter or Transitional Group Home? (select "yes" or "no" from the drop-down menu to the left.) If you answer "yes", skip the next 6 questions below (56 thru 61). Instead, you must complete worksheet "1B. Transitional Programs Only."
56		Vacancies - How many vacancies occurred at the project during the reporting period? (Be sure that the number you report here is not less than the number of vacan units that are included on worksheet 3.)
57	0	Evictions - How many evictions occurred during the reporting year? (This data in this field is automatically calculated from the data that is entered on worksheet 1C. You must complete worksheet 1C, unless the project is transitional housing, a residential treatment program, a shelter or a transitional group home.)
58		Vacant Unit Rent-Up Time - (in DAYS) State the average vacant unit rent-up time. This is the period from the time a household moves out to when the unit is rented again. If this period exceeds 30 days, you must answer Question # 4 on the Narrative worksheet. (Click on # 4 at left to jump to Narrative worksheet.) # 4
59		Waiting List - How many applicants are currently on the waiting list?
60		When was the waiting list last updated? (m/yyyy)
61		Affirmative Marketing - Did you conduct any marketing of the project during the reporting period? If you conducted marketing during the reporting period, you must answer Question #5 on the Narrative worksheet. (Click on #5 at left to jump to Narrative worksheet.) # 5

POPULATION SERVED

Target / Actual Populations: As of the last day of the reporting period, what are the Actual and Target Populations (expressed as Number of Households) for the Project?

Under Target Population, enter the number of units at the project that, as a requirement of a specific funding source (e.g. 202, HOPWA, McKinney), are targeted to and set aside for the target populations shown in the table. Under Actual Population, enter the number of households at the project that, as of the end of the reporting period, contained at least one person who is a member of the populations shown in the table.

		Target Population		Actual Population	
62		0	Families	0	Families
63		0	Persons with HIV/AIDS	0	Persons with HIV/AIDS
64		0	Housing for Homeless	0	Housing for Homeless
65		0	Mentally or Physically Disabled	0	Mentally or Physically Disabled
66		0	Senior Housing	0	Senior Housing
67		0	Substance Abuse	0	Substance Abuse
68		0	Domestic Violence Survivor	0	Domestic Violence Survivor
69		0	Veterans	0	Veterans
70		0	Formerly Incarcerated	0	Formerly Incarcerated
71		0	Transition-Aged Youth ("TAY")	0	Transition-Aged Youth ("TAY")

Household Size: As of the last day of the reporting period, supply the number of Households in the Project for each Household size below. DO NOT LEAVE CELLS BLANK - ENTER ZERO INSTEAD.

72		(1) One Person Household
73		(2) Two Person Household
74		(3) Three Person Household
75		(4) Four Person Household
76		(5) Five Person Household
77		(6) Six Person Household
78		(7+) Seven or more Person Household
79	0	TOTAL Households
80	0	TOTAL Residents

Head of Household Race/Ethnicity: As of the last day of the reporting period, enter the numbers of Heads of Households of the following listed ethnicities. The total in row 89 (cell G111) must be the same as the total shown in row 79 (cell G100). DO NOT LEAVE CELLS BLANK - ENTER ZERO INSTEAD.

81		Latino or Hispanic
82		American Indian or Alaskan Native
83		Asian
84		Black or African American
85		Native Hawaiian or Other Pacific Islander
86		White
87		Other
88		Unknown
89	0	TOTAL - must match Total Households above
90		As of the last day of the reporting period, how many Elderly Households resided at the property? (<i>An Elderly Household is one with a Head of Household at least 62 years of age.</i>)
91		As of the last day of the reporting period, how many Female-Headed Households resided at the property? (<i>A Female-headed Household is one with a woman as the head of household - either alone or with one or more children.</i>)
92		As of the last day of the reporting period, of the total population, how many CHILDREN (younger than 18 years of age) reside at the property?
93		As of the last day of the reporting period, how many units were occupied by tenants with physical, visual or hearing impairment ?

Remember, **SAVE YOUR WORK!**

Annual Monitoring Report - Transitional Programs - Reporting Year 2015 - Mayor's Office of Housing & Community Development

Project Address:

Project Capacity: What is the target capacity of this project? (All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

	A Num Singles Not in Families	B Num Families	C1 Num Adults in Families	C2 Num Children in Families	D Num of Beds
1					
2	0		Total Households (Singles and Families) That Can Be Served		

Persons Served During Operating Year (All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

	A Num Singles Not in Families	B Num Families	C1 Num Adults in Families	C2 Num Children in Families	
3					Num on the first day of operating year
4					Num entering the program during the operating year
5	0		Total Households (Singles and Families) Served		
6					Num who left the program during the operating year
7	0	0	0	0	Num in the program on the last day of the operating year
8	0		Total Households in program on the last day of the operating year		
9	← Capacity Utilization Rate (by Household as of last Day of Operating Year)				

If the Capacity Utilization Rate is LESS than 75% you must respond to the following:

10	1. Explain the reason(s) why the capacity utilization rate is as low as it is and
11	2. Describe plan/s to raise the capacity utilization rate to at least 75% with specific timeline

Length of Stay: For the 0 households that LEFT the program during the operating year, how many were in the project for the following lengths of time? (Total in cell H27 should match total of cells H13 + I13. All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

12	Less than 1 month
13	1 to 2 months
14	3 - 6 months
15	7 months -12 months
16	13 months - 24 months
17	25 months - 3 years
18	0 TOTAL # HH's that left the program

Destination: For the 0 households reported to have LEFT the program during the operating year, how many left for the following destinations? (Total in cell H52 should match total of cells H13 + I13. All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

19	Rental - House or Apartment (no subsidy)	PERMANENT
20	Public Housing	
21	Section 8 Voucher	
22	Subsidized Rental - house or apartment	
23	Homeownership	
24	Moved in with family or friends	TRANSITIONAL
25	0 Permanent Housing Subtotal	
26	Transitional Housing for homeless persons	INSTITUTIONAL
27	Moved in with family or friends TEMPORARILY	
28	0 Transitional Housing Subtotal	OTHER
29	Psychiatric hospital	
30	Inpatient alcohol or other drug treatment facility	
31	Jail/Prison	
32	Medical Facility	OTHER
33	0 Institutional Subtotal	
34	Emergency Shelter	
35	Places not meant for human habitation (e.g. street)	OTHER
36	Unknown	
37	Other	
38	0 Other Subtotal	OTHER
39	0 TOTAL # HH's that left the program	

Annual Monitoring Report - Eviction Data - Reporting Year 2015 - Mayor's Office of Housing & Community Development

Project Address:

This section of the AMP must be completed for all projects, except for transitional housing or residential treatment services

You MUST answer every question (i.e., enter zero if applicable).

Number of households who lived in the project during the reporting period:

1 _____ Number of households who lived in the project during the ENTIRE reporting period. Be sure to include all new households that moved in during the reporting period.

Number of households in the project who received Notices of Eviction during the reporting period for each of the following reasons:
(If more than one reason applies to a household, report only the primary reason.)

2	Breach of Lease Agreement
3	Capital Improvement
4	Condo Conversion
5	Demolition
6	Denial of Access to Unit
7	Development Agreement
8	Ellis Act Withdrawal
9	Failure to Sign Lease Renewal
10	Good Samaritan Tenancy Ends
11	Habitual Late Payment of Rent
12	Illegal Use of Unit
13	Lead Remediation
14	Non-payment of Rent
15	Nuisance
16	Other
17	Owner Move In
18	Roommate Living in Same Unit
19	Substantial Rehabilitation
20	Unapproved Subtenant
21	0 Total number of households who received Notices of Eviction

Number of unlawful detainer actions filed in court by the owner against tenants in the project during the reporting period for each of the following reasons:
(If more than one reason applies to a household, report only the primary reason.)

22	Breach of Lease Agreement
23	Capital Improvement
24	Condo Conversion
25	Demolition
26	Denial of Access to Unit
27	Development Agreement
28	Ellis Act Withdrawal
29	Failure to Sign Lease Renewal
30	Good Samaritan Tenancy Ends
31	Habitual Late Payment of Rent
32	Illegal Use of Unit
33	Lead Remediation
34	Non-payment of Rent
35	Nuisance
36	Other
37	Owner Move In
38	Roommate Living in Same Unit
39	Substantial Rehabilitation
40	Unapproved Subtenant
41	0 Total number of unlawful detainer actions filed

Number of households evicted from the project during the reporting period for the each of the following reasons:
(If more than one reason applies to a household, report only the primary reason.)

42	Breach of Lease Agreement
43	Capital Improvement
44	Condo Conversion
45	Demolition
46	Denial of Access to Unit
47	Development Agreement
48	Ellis Act Withdrawal
49	Failure to Sign Lease Renewal
50	Good Samaritan Tenancy Ends
51	Habitual Late Payment of Rent
52	Illegal Use of Unit
53	Lead Remediation
54	Non-payment of Rent
55	Nuisance
56	Other
57	Owner Move In
58	Roommate Living in Same Unit
59	Substantial Rehabilitation
60	Unapproved Subtenant
61	0 Total number of households evicted (total also used to answer question #54 on Worksheet 1A)

Annual Monitoring Report - Fiscal Activity - Reporting Year 2015 - Mayor's Office of Housing & Community Development					
14	INCOME & EXPENSES				
15	12 Month Report Period		Start Date: 10/1/2010	End Date: 10/1/2010	
16	Number of Units				
17	Account				
18	Description of Income Accounts		Residential	Non-Residential	Total
20	Rental Income				
21	Housing Units - Gross Potential Tenant Pairs	5120			
22	Rental Assistance Payments Identify ALL sources in row below if applicable including OSF funding	5121			
23	Source 5----				
24	Commercial Unit Rents	514C			
25	sub-total Gross Rental Income		\$0.00	\$0.00	\$0.00
26	Vacancy Loss - enter amounts as negative numbers!				Vacancy rate
27	Housing Units	525D		Must click & explain if Residential Vac Rate is > 15%	0.00%
28	Commercial	524D			0.00%
29	sub-total Vacancies		\$0.00	\$0.00	\$0.00
30	NET RENTAL INCOME		\$0.00	\$0.00	\$0.00
32	Other Income				
34	Garage and Parking Spaces	517C			
35	Miscellaneous Rent Income	518C			
36	Supportive Services Income Do not enter supportive services income if it is tracked in a separate budget and not appropriate per MCHCD can terms to be included in Residential	530C			
37	Receivables calculation				
38	Supportive Services Income Source - identify program sources if applicable	540D			
39	Laundry and Janing	541D			
40	Tenant Charges	592E			
41	Other Revenue	593E			
42	sub-total Other Income Received		\$0.00	\$0.00	\$0.00
43	TOTAL INCOME RECEIVED		\$0.00	\$0.00	\$0.00
44	INCOME & EXPENSES				
45	Account				
46	Description of Expense Accounts		Residential	Non-Residential	Total
47	Management				
48	Management Fee	602D			
49	*Above the line Asset Management Fee amounts available may be entered see Asset Mgt Fee Policy				
50	sub-total Management Expense		\$0.00	\$0.00	\$0.00
51	Salaries/Benefits				
52	Office Salaries	631E			
53	Manager's Salary	632E			
54	Employee Benefits Health Insurance & Disability Insurance	633E			
55	Employee Benefits Retirement & Other Salary Benefit Expenses	634E			
56	Administrative Rent Free Jmt	635E			
57	sub-total Salary/Benefit Expense		\$0.00	\$0.00	\$0.00
58	Administration				
59	Advertising and Marketing	621D			
60	Office Expenses	631E			
61	Office Rent	631E			
62	Legal Expense - Property	654D			
63	Audit Expense	655D			
64	Bookkeeping/Accounting Services	656D			
65	Bad Debts	627D			
66	Miscellaneous Administrative Expenses (must click & explain if > \$10K)	636D			
67	sub-total Administrative Expense		\$0.00	\$0.00	\$0.00
68	Utilities				
69	Electricity	645D			
70	Water	646D			
71	Gas	647D			
72	Sewer	648D			
73	sub-total Utilities Expense		\$0.00	\$0.00	\$0.00
74	Taxes and Licenses				
75	Real Estate Taxes	671D			
76	Payroll Taxes	672D			
77	Miscellaneous Taxes Licenses and Permits	673D			
78	sub-total Taxes and License Expense		\$0.00	\$0.00	\$0.00
79	Insurance				
80	Property and Liability Insurance	674D			
81	Fidelity Bond Insurance	675D			
82	Workers Compensation	676D			
83	Director's & Officers Liabilities Insurance	677D			
84	sub-total Insurance Expense		\$0.00	\$0.00	\$0.00
85	Maintenance and Repair				
86	*IMPORTANT NOTE RE: TREATMENT OF CAPITAL AND NON-CAPITAL MAINTENANCE REPAIR EXPENSES ELIGIBLE FOR PAYMENT BY REPLACEMENT RESERVE: If capital costs were entered in amounts for Maintenance & Repair section above and a separate line item for payment by the Replacement Reserve please enter details in Replacement Reserve Eligible Expenses below Details provided must be added to cell D102				
87	Payroll	651D			
88	Supplies	651D			
89	Contracts	652D			
90	Garbage and Trash Removal	653D			
91	Security Payroll Contract	654D			
92	HVAC Repairs and Maintenance	655D			
93	Vehicle and Maintenance Equipment Operation and Repairs	656D			
94	Miscellaneous Operating and Maintenance Expenses (must click & explain if > \$10K)	657D			
95	sub-total Maintenance Repair Expense		\$0.00	\$0.00	\$0.00
96	Supportive Services - do not enter supportive services expenses if tracked in separate budget and not eligible to be counted against project income for residential projects	590E			
97	SUB-TOTAL OPERATING EXPENSES:		\$0.00	\$0.00	\$0.00
98	Capital Maintenance Repair Expenses eligible for payment by Replacement Reserve: If capital costs were entered in amounts for Maintenance & Repair section above and a separate line item for payment by the Replacement Reserve please enter details in Replacement Reserve Eligible Expenses below Details provided must be added to cell D102				\$0.00
99	Non-Capital Maintenance Repair Expenses eligible for payment by Replacement Reserve: Only enter amounts here if they were included in amounts entered for Maintenance & Repair section above and will be reimbursed by Replacement Reserve. Enter as positive number				
100	TOTAL OPERATING EXPENSES		\$0.00	\$0.00	\$0.00
101	Acct Num		Residential	Non-Residential	Total
102	1. TOTAL INCOME RECEIVED:		\$0.00	\$0.00	\$0.00
103	2. TOTAL OPERATING EXPENSES:		\$0.00	\$0.00	\$0.00
104	3. NET OPERATING INCOME:		\$0.00	\$0.00	\$0.00

	B	C	D	E	F	
Annual Monitoring Report - Fiscal Activity - Reporting Year 2015 - Mayor's Office of Housing & Community Development						
108						
109	4	Ground Lease Base Rent & Debt Service (Principal and Interest)	Name of Lessor or Lender / Describe Other Amt Paid	Residential	Non-Residential	Total
110		Ground Lease - Base Rent provide Lessor name to the right				
111		Lender1 - Principal Paid provide Lender name to the right				
112		Interest Paid				
113		Other Amount (describe to the right)				
114		Lender2 - Principal Paid provide Lender name to the right				
115		Interest Paid				
116		Other Amount (describe to the right)				
117		Lender3 - Principal Paid provide Lender name to the right				
118		Interest Paid				
119		Other Amount (describe to the right)				
120		Lender4 - Principal Paid provide Lender name to the right				
121		Interest Paid				
122		Other Amount (describe to the right)				
123		Total Ground Lease Base Rent + Debt Service Payments		\$0.00	\$0.00	\$0.00
124		Reserve Account Activity				
125		Replacement Reserve Required Annual Deposit	1320			\$0.00
126		Operating Reserve Deposits	1965			\$0.00
127		Operating Reserve Account Withdrawals				\$0.00
128		Other Required Reserve Account Deposits - identify account in next col. (1330)	type serv. acct name			\$0.00
129		Other Required Reserve Account Withdrawals - identify account in next col. (1330)	type serv. acct name			\$0.00
130		Net Reserve Activity:		\$0.00	\$0.00	\$0.00
131				\$0.00	\$0.00	\$0.00
132		Surplus Cash Detail (NOI minus Debt Service and Reserve Activity)		\$0.00	\$0.00	\$0.00
133						
134		If amount for Surplus Cash above is negative, you must provide a detailed explanation to question #7 on the Narrative worksheet - you must NOT supply data for any of the fields for Uses of Surplus Cash below				Go to next Narrative question #8
135		Surplus Cash, Total:				\$0.00
136		REFER TO THE PROJECT'S SURPLUS CASH FLOW WATERFALL (IF APPLICABLE) PRIOR TO COMPLETING SECTION BELOW.				
137		USES OF SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID PRIOR TO CALCULATION OF MOHCD DEBT PAYMENT (IF APPLICABLE)				
138		Operating Reserve Replenishments - Deposits made out of surplus cash to satisfy minimum balance requirements				
139		Below-the-line Asset Mgt fee - prior written authorization from City DPRA may be required see Asset Mgt Fee Policy				
140		Ground Lease & related payments, if any				
141		Partnership Management fee due from this reporting period if any tax credit projects only - not allowed if project is beyond 15-year compliance period.				
142		Partnership Management fee accrued but unpaid from PRIOR reporting periods if any tax credit projects only - see City policy - not allowed if project is beyond 15-year compliance period.				
143		Investor Services Fee (aka LP Asset Management Fee) due from this reporting period. If any tax credit projects only per City policy - not allowed if project is beyond 15-year compliance period.				
144		Investor Services Fee (aka LP Asset Management Fee) accrued but unpaid from PRIOR reporting periods if any tax credit projects only per City policy - not allowed if project is beyond 15-year compliance period.				
145		Deferred Developer fee, if any				
146		Other payments - see question #4 on the Narrative worksheet #4 to provide details about any fees or other payments included here. Failure to provide data to result in disallowance of this expense. You may only include payments that were approved by MOHCD at time of funding that are also explicitly authorized by a Partnership Agreement or similar project document				
147		Debt Pmt to other lender1 - Principal Paid - note lender name to right				
148		Debt Pmt to other lender1 - Interest Paid				
149		Debt Pmt to other lender2 - Principal Paid - note lender name to right				
150		Debt Pmt to other lender2 - Interest Paid				
151		Debt Pmt to other lender3 - Principal Paid - note lender name to right				
152		Debt Pmt to other lender3 - Interest Paid				
153		Debt Pmt to other lender4 - Principal Paid - note lender name to right				
154		Debt Pmt to other lender4 - Interest Paid				
155		Total Payments preceding MOHCD on Surplus Cash waterfall				\$0.00
156						
157		14 RESIDUAL RECEIPTS				\$0.00
158						
159		PROPOSED USE OF RESIDUAL RECEIPTS				
160		14a. Is This Project Obligated to make Repayments on any MOHCD loans out of Residual Receipts? (enter yes or no in call to the right)				
161		Residual Receipts Obligation Calculation - if applicable -				
162		14b. % of Residual Receipts (*4)				
163		14c. \$500 per unit				
164		14d. Allowable Distribution lesser of 14b & 14c				
165		14e. Net Residual Receipts Amount Due 14a * 14d				
166		15 PROPOSED RESIDUAL RECEIPTS PAYMENT TO MOHCD				
167		Proposed Amount:				
168		If may be acceptable for the Proposed Residual Receipts Payment to MOHCD noted on line 15 to be less than the amount calculated for line 14e. You must supply a detailed explanation on the call to the right if 15 is not equal to 14e.				
169		DO NOT SUBMIT YOUR PROPOSED RESIDUAL RECEIPT PAYMENT TO MOHCD WITH THIS AMR. MOHCD WILL REVIEW YOUR PROPOSED PAYMENT AND GENERATE AN INVOICE IF THE CALCULATION CAN BE VERIFIED AS APPROPRIATE. IF THE CALCULATION CANNOT BE VERIFIED, MOHCD WILL CONTACT YOU.				
170		Remaining Balance If MOHCD Payment Amount is Accepted				\$0.00

	B	C	D	E	F	
13	Annual Monitoring Report - Fiscal Activity - Reporting Year 2015 - Mayor's Office of Housing & Community Development					
	LIKELY TO SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID AFTER CALCULATION OF MOHCD DEBT PAYMENT (IF APPLICABLE)					
171	16. "Below-the-line" Asset Mgt fee (prior written authorization from City/SFFA may be required see Asset Mgt Fee Policy)					
172	17. Ground Lease & related payments, if any					
173	18a. Partnership Management fee due from this reporting period, if any (tax credit projects only, per City policy not allowed if project is beyond 15-year compliance period)					
174	18b. Partnership Management fee accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only, not allowed if project is beyond 15-year compliance period)					
175	19a. Investor Services Fee (aka LP Asset Management Fee) due from this reporting period, if any (tax credit projects only, not allowed if project is beyond 15-year compliance period)					
176	19b. Investor Services Fee (aka LP Asset Management Fee) accrued but unpaid from PRIOR reporting periods, if any (tax credit projects only, per City policy not allowed if project is beyond 15-year compliance period)					
177	20. Deferred Developer Fee, if any					
178	21. Other payments (use question #1 on the Narrative Worksheet #4) to provide details about any fees or other payments included here. Failure to provide details will result in disallowance of expense. You may only include payments that were approved by MOHCD at time of funding that are also explicitly authorized by a Partnership Agreement or similar project document					
179	22a. Debt Pmt to other lender?: Principal Paid (note lender name to right)					
180	22a. Debt Pmt to other lender?: Interest Paid					
181	22b. Debt Pmt to other lender?: Principal Paid (note lender name to right)					
182	22b. Debt Pmt to other lender?: Interest Paid					
183	22b. Debt Pmt to other lender?: Interest Paid					
184	Total Payments below MOHCD on Surplus Cash "waterfall"					\$0.00
185	Subtotal of Remaining Balance					\$0.00
186	Proposed Owner Distributions (provide description in column C and enter amount in column F; description required if amount is greater than amount in 14d)					
187	Proposed Other Distributions (uses provide description in column C and enter amount in column F; if you had a Calendar Year LCSP surplus please acknowledge that and note exact amount)					
188						
189						
190	Final Balance should be ZERO except when Surplus Cash (cell F134) is negative					\$0.00
191						
192						
193						
194	RESERVE ACCOUNT DETAILS					
195	OPERATING RESERVE (Do not leave blanks for any questions asking for a number, enter zero instead)					
197	Minimum Required Balance:					
198	Beginning Balance:					
199	Actual Annual Deposit (don't edit - taken from page 1 account number 1365)					\$0.00
200	Annual Withdrawal Amount:					
201	Ending Balance:					
202	Required Annual Deposit:					
203	Total Operating Expenses plus debt service (don't edit cell - calculated)					\$2.30
204	If the calculated percentage shown to the right, Op Reserve Account Ending Balance divided by Total Op Expenses is less than 25.5%, you must describe how the project will remedy the shortfall in the adjacent cell					
205	If the calculated percentage shown to the right is greater than 26.5%, you must explain why the Op Reserve balance exceeds MOHCD's requirement in the adjacent cell					0.000%
206	REPLACEMENT RESERVE (Do not leave blanks for any questions asking for a number, enter zero instead)					
207	Minimum Required Balance:					
208	Beginning Balance:					
209	Actual Annual Deposit					
210	Annual Withdrawal Amount:					
211	Ending Balance					
212	Required Annual Deposit (do not edit - taken from page 1 account number 1320)					\$0.00
213	Describe how the amount of annual deposit and the minimum required balance is determined					
214	Replacement Reserve-Eligible Expenditures; provide details below about the Capital and non-Capital Expenditures that are Replacement Reserve-eligible					
215	Capital Expenditures: enter details to generate the total, use the comments section to supply explanations					
216	Capital Expenditures - Categories	Additional Description	Source (required)	Amount		
217	Building & improvements					
218	Office improvements					
219	Site improvements					
220	Land improvements					
221	Furniture, fixtures & equipment					
222	Other					
223	Notes About Capital Expenditures				Total	\$0.00
224						
225	Non-Capital Replacement Reserve Eligible Expenditures (i.e., labor costs); enter details to generate the total, use comments section below to supply explanations.					
226	Source			Amount		
227	Facilities of the reporting entity to be reimbursed by RR (rows 228-229) above				\$0.00	
228	Facilities of other Non-Reporting Entities					
229	Explanation of Non-Capital Replacement Reserve Eligible Expenditures				Total	\$0.00
230						
231	TOTAL REPLACEMENT RESERVE ELIGIBLE EXPENDITURES: the Replacement Reserve Withdrawal for the reporting period should not exceed the Total RR-eligible Expenditures. You must provide more detail above or an explanation below if the RR withdrawal amount exceeds the Total RR-eligible Expenditures		RR Withdrawal Amount ->	\$0.00	Total RR-eligible Expenditures ->	\$0.00
232	Notes About RR Withdrawal Amount in excess of Total RR-eligible Expenditures					
233						

	B	C	D	E	F
13	Annual Monitoring Report - Fiscal Activity - Reporting Year 2015 - Mayor's Office of Housing & Community Development				
234	FEDERAL PROGRAM INCOME REPORT				
235	This section must be completed if the project received any CDBG funding, even if the amount of CDBG program income during the reporting period was zero. For more information, use the following link or copy this web address for manual navigation:				
236	http://www.sfmoh.org/Modules/ShowDocument.aspx?documentid=5141				
237	Overview of Federal (HOME and CDBG) Program Income				
238	CDBG PROGRAM INCOME				
239	Proposed amounts to be used to fund eligible CDBG activities as described in the Federal CDBG Program Regulations at 24 CFR 570.201-205 and consistent with the City's 2015-2019 Consolidated Plan, 2015-16 Action Plans as follows.				
240		AMOUNT	DESCRIPTION		
241	Amount to be used for CDBG eligible activity#1 (provide amount in cell to the right and activity description and regulation citation in column furthest to the right)				
242	Amount to be used for CDBG eligible activity#2 (provide amount in cell to the right and activity description and regulation citation in column furthest to the right)				
243	Amount to be used for CDBG eligible activity#3 (provide amount in cell to the right and activity description and regulation citation in column furthest to the right)				
244	Amount to be deposited for use on future eligible CDBG activities that will be undertaken by June 30 2015 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right)				
245	Other (provide amount in cell to the right, plus activity description and regulation citation in column furthest to the right).				
246	Total CDBG Program Income Calculation (see instructions for guidance on how to calculate)	\$0.00			
247	To ensure the eligible use of CDBG Program Income, the recipient of federal CDBG funding hereby requests approval by the Mayor's Office of Housing and Community Development for the use of CDBG program income received during the 2015 reporting period as depicted above.				
248					
249					
250					

Annual Monitoring Report - Occupancy & Rent Info - Reporting Year 2015 - Mayor's Office of Housing & Community Development

Project Address: _____ Data supplied on this worksheet must be from the rent roll of the last month of the reporting period that was entered on worksheet 1A. 1/0/1900 Num Units: 0

Provide the data requested for the tenant population that was residing in the project at the end of the Reporting Period.
 * Identify manager's unit with the unit number, follow by "Mgr" For example, if the manager occupies Unit 501 in column D enter "501 Mgr" For vacant units and manager's units provide data in columns D, E, F, V and X only.
 * For tenants who moved in during the reporting period, the data entered in columns F, G & H should be the same as the data entered in columns I, J & K, respectively.
 * For tenants who have transferred units within the project report the initial occupancy data (occupancy date, income, household size) for the first unit that the tenant occupied in the project - i.e. when they first moved in to the building.
 * Before using the "paste" function to enter data in columns L and T (Orange Highlighting in Column Header), please check the drop-down menus to ensure that the data you are pasting conforms with the choices of the drop-down menu. This will help prevent you from automating forms with invalid data. Any forms with invalid data will be returned with instructions to fix and resubmit.

C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	
Unit No.	Mgr	Occupancy Date	Initial Occupancy Date	Transfer Date	Initial Occupancy Date	Reporting Period	Reporting Period	Reporting Period	Reporting Period	Reporting Period	Reporting Period	Reporting Period	Reporting Period	Reporting Period	Reporting Period	Reporting Period	Reporting Period	Reporting Period	Reporting Period	Reporting Period	Reporting Period	Reporting Period	Reporting Period	Reporting Period	
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2251

Annual Monitoring Report - Occupancy & Rent Info - Reporting Year 2015 - Mayor's Office of Housing & Community Development

Project Address	Data supplied on this worksheet must be from the rent roll of the last month of the reporting period that was entered on worksheet 1A.	1/0/1900	Num Units	0
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Provide the data requested for the tenant population that was residing in the project at the end of the Reporting Period.
 Identify manager's unit with the unit number, follow by "Mgr". For example if the manager occupies Unit 501, in column D, enter "501 Mgr". For vacant units and manager's units provide data in columns U, T, V and X only.
 For tenants who moved during the reporting period, the data entered in columns F, G & H should be the same as the data entered in columns J, K & L, respectively.
 For tenants who have transferred units within the project, report the initial occupancy data (occupancy date, income, household size) for the first unit that the tenant occupied in the project (i.e. when they first moved in to the building).
 Before using the "paste" function to enter data in columns E and T (Orange Highlighting in Column Header), please check the drop-down menus to ensure that the data you are pasting conforms with the choices of the drop-down menu. This will help prevent you from submitting forms with invalid data. Any forms with invalid data will be returned with instructions to fix and resubmit.

C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA
Number	Unit #	Unit Type (Open House, Single Room, etc. - See Code)	Date of Birth of Tenant (MM/YY)	Household Size of Tenant	Household Size of Tenant	Initial Occupancy Date (MM/YY)	Household Size of Tenant	Household Size of Tenant	Household Size of Tenant	Household Size of Tenant	Household Size of Tenant	Household Size of Tenant	Household Size of Tenant	Household Size of Tenant	Household Size of Tenant	Household Size of Tenant	Household Size of Tenant	Household Size of Tenant	Household Size of Tenant	Household Size of Tenant	Household Size of Tenant	Household Size of Tenant	Household Size of Tenant	Household Size of Tenant
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**Annual Monitoring Report - Narrative - Reporting Year 2015 -
Mayor's Office of Housing & Community Development**

Project Street Address:

Reporting Period - Start Date: 1/0/1900

Reporting Period - End Date: 1/0/1900

MOHCD created the questions below to allow project owners to supply additional information about a small number of measurements that may indicate that a project is having difficulties. By providing this information, project owners will help provide context for the conclusions that can be made about the measurements. MOHCD will use the measurements and the information below to prioritize the projects that need closer scrutiny and support. Please supply as much information as is readily available.

1. Explanations & Comments

Use this space to record notes about any peculiarities in the data entry process. For example, if you entered a formula instead of a single number for a field, make a note here re: for which question on which worksheet that was done, and describe the formula & underlying numbers. Also use this field to describe in detail any amounts entered for "Other payments" on the WS #2, Fiscal Activity, items 12 & 21.

2. Code Violations

Provide the following for any violations or citations of Health or Building or Housing Codes that were issued during the reporting period, or were issued in a prior reporting period but remained open during any time of the current reporting period:

Violation or Citation #	Date Issued	Issued By	Description	Cleared? (y/n)

(add additional rows as needed)

**** ONLY FOR ALL VIOLATIONS THAT WERE NOT RESOLVED by the end of the reporting period: You must also attach a SCANNED copy of each Violation/Citation to your AMR submittal. ****

Violation or Citation #	Date Cleared	Issued By	Description of Remedy

(add additional rows as needed)

**** ONLY FOR ALL VIOLATIONS THAT WERE NOT RESOLVED by the end of the reporting period: You must also attach a SCANNED copy of each Violation/Citation to your AMR submittal. ****

3. Major Repairs

Describe any major repair or replacement needs that have been identified as being required within the next 2 years, and any related plans to pay for whatever is needed.

4. Vacant Unit Rent-Up Time

0

If the project had an average VACANT UNIT RENT-UP TIME greater than 30 days for question 55 on worksheet "1A. Property & Residents," you must supply the following:

- a. A description of the work done to analyze the cause/s of the high turnaround time, and what the identified causes are; and
- b. A description of the work done to identify means of reducing the turnaround time, and all viable remedies that have been identified; and
- c. A description of the plan to implement any remedies, including specific timelines for the implementation work.

5. Affirmative Marketing

0

Did you conduct any marketing of the project during the reporting period? If yes, please describe the marketing that was conducted, including

- a. when the marketing was conducted and how it was intended to reach populations least likely to apply for the project;
- b. any advertising, direct mailings, emailings and web postings that were done; and
- c. how many households were on the waiting list prior to the marketing and how many were on it after the marketing was completed.

6. Vacancy Rate ----->

0.00%

If the project had a VACANCY RATE greater than 15%, as may be shown above from the Income Expense section of worksheet "2. Fiscal Activity," you must supply the following:

- a. A description of the work done to analyze the cause/s of the vacancy rate, and what the identified causes are; and
- b. A description of the work done to identify means of reducing the vacancy rate, and all viable remedies that have been identified; and
- c. A description of the plan to implement any remedies, including specific timelines for the implementation work.

7. Miscellaneous Expenses: Administrative/Operating & Maintenance

If the project had miscellaneous administrative or operating & maintenance expenses greater than \$10,000 each, you must provide a detailed itemization of these individual expenses below. Total expenses must equal the total amount reported on the Fiscal Activity worksheet.

Misc. Admin Expenses

Expense Description	Amount	HUD Acct #	Notes
Total:	0.00		

Misc. Operating & Maintenance Expenses

Expense Description	Amount	HUD Acct #	Notes
Total:	0.00		

8. Negative Cash Flow

If the project had NEGATIVE CASH FLOW, as may be shown above from the Income Expense section of worksheet "2. Fiscal Activity," you must supply the following:

- a. A description of the work done to analyze the cause/s of the shortfall, and what the identified causes are; and
- b. A description of the work done to identify remedies for the shortfall, and all viable remedies that have been identified; and
- c. A description of the plan to implement any remedies, including specific timelines for the implementation work.

Annual Monitoring Report - Project Financing - Reporting Year 2016 - Mayor's Office of Housing & Community Development

Provide information about all current financing of the project. Lenders should be listed in lien order, i.e., with the most-senior lender in the first lien position, the most-junior lender in last lien position.

Project Address:

Current Project Financing

Lien Order	Lender (and Loan Program if applicable)	Loan Amount	Interest Rate	Maturity Date	Repayment Terms	Monthly Debt Service Payment	Outstanding Principal Balance As Of End of Prior Reporting Period	Accrued Interest As Of End of Prior Reporting Period
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

Annual Monitoring Report - Services Funding - Reporting Year 2015 - Mayor's Office of Housing & Community Development

Completion of this page is required based on your answers to questions 41 thru 51 on worksheet 1A Property & Residents. Supply one row of data for each service that is being provided. (If more than one service is being provided by the same Provider under the same grant, please repeat the data for each service provided.)

Project Address:

Current Services Funding						
Service Type	Service Provider Name	Street Address where Service is Provided	Name of Funder of this Service	Grant Amount	Grant Start Date	Grant End Date

BROADWAY SANSOME APARTMENTS GROUND LEASE

by and between the

THE

CITY AND COUNTY OF SAN FRANCISCO

as Landlord

and

BROADWAY SANSOME ASSOCIATES, L.P.,

a California Limited Partnership

as Tenant

Dated as of March 18, 2013

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AMENDED AND RESTATED GROUND LEASE

This AMENDED AND RESTATED GROUND LEASE (“**Ground Lease**”) is entered into as of March 18, 2013, by and between THE CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the “**City**”), represented by the Mayor, acting by and through the Mayor's Office of Housing (“**MOH**”), as landlord, and BROADWAY SANSOME ASSOCIATES, L.P., a California limited partnership, as tenant (the “**Tenant**”).

RECITALS

A. In accordance with the Community Redevelopment Law of the State of California, set forth in California Health and Safety Code Section 330000 et seq. (“**CRL**”), the City created the Redevelopment Agency of the City and County of San Francisco, a public body, corporate and politic (“**Agency**”), in 1948.

B. In furtherance of the objectives of the CRL, the Agency created programs to redevelop and revitalize blighted areas in the City and County of San Francisco, including the development of affordable housing, which it facilitated by lending or expending tax increment housing set-aside funds and by providing developers with site control necessary for such developments in the form of long-term ground leases.

C. The Agency was the fee owner of the land described in Attachment 1 attached hereto (“**Site**”). Agency and Chinatown Community Development Center, Inc. executed that certain Ground Lease dated July 20, 2010, which was assigned to Tenant pursuant to that certain Assignment and Assumption Agreement dated as of the same date (as assigned, the “**Original Ground Lease**”). Pursuant to terms of the Original Ground Lease, Agency agreed to lease the Site to Tenant for a new construction project which would consist of 74 units of affordable housing, including housing for formerly homeless families, and 2,902 sft of ground level retail

space (the "Project"). Based on preliminary planning, the Project will be a 65-foot tall development with approximately 75 units, comprised of 10 studios, 35 one bedroom, 24 two bedroom, 5 three bedroom units, 1 manager's unit, and other ancillary uses. Proposed on-site amenities include a laundry room, common areas, supportive services office space, bicycle storage, and two retail spaces. The lot is 17,860 sq. feet, and the total gross building square footage will be approximately 85,000.

D. Under California State Assembly Bill No. 1X26 (Chapter 5, Statutes of 2011-12, first Extraordinary Session) ("AB 26"), the Agency dissolved as a matter of law on February 1, 2012, and pursuant to AB 26, as amended by California State Assembly Bill No. 1484 ("AB 1484"), and Resolution No. 11-12, adopted by the City's Board of Supervisors and Mayor on January 26, 2012, Ordinance No. 215-12, adopted by the City's Board of Supervisors and Mayor on October 12, 2012, and the approved housing asset list submitted by City to, and approved by, the State of California Department of Finance pursuant to AB 1484 (Cal. Health & Safety Code Section 34176(a)(2)), City is successor in interest to Agency's fee interest in the Site and to all of the Agency's rights and obligations under the Original Ground Lease.

E. Tenant now intends to close its construction financing for the Project. In anticipation of this transaction, and in light of the dissolution of the Agency and the transfer of all Agency affordable housing assets to City, City and Tenant wish to enter into this Ground Lease to provide for Tenant's lease of the Site, development of the Project and ownership and operation of the Improvements, which Ground Lease shall supersede and replace the Original Ground Lease in its entirety.

NOW THEREFORE, in consideration of the mutual obligations of the parties hereto, the City hereby leases to Tenant, and Tenant hereby leases from the City, the Site, for the term, and

subject to the terms, covenants, agreements and conditions hereinafter set forth, to each and all of which the City and Tenant hereby mutually agree.

ARTICLE 1: DEFINITIONS

Terms used herein have the meanings given them when first used or as set forth in this Article 1, unless the context clearly requires otherwise.

1.01 Agency has the meaning set forth in Recital A.

1.02 Agreement Date means the date that this Ground Lease is deemed to be entered into and effective, as set forth on the first page.

1.03 Area Median Income (“AMI”) the area median income as determined by the United States Department of Housing and Urban Development for the San Francisco Primary Metropolitan Statistical Area, adjusted solely for actual household size, and as published annually by MOH.**1.04 Intentionally Blank.**

1.05 Effective Date means the close of escrow date for all financing required to construct the Project, but in no event shall the date be prior to the approval of the Ground Lease by the City’s Board of Supervisors and the Mayor.

1.06 First Lease Payment Year means the year in which the Project receives a Certificate of Occupancy for all residential units.

1.07 First Mortgage Lender means any lender and its successors, assigns and participants or other entity holding the first deed of trust on the Leasehold Estate.

1.08 Ground Lease means this Ground Lease of the Site to the Tenant from the City, as amended from time to time.

1.09 Improvements mean all physical construction, including all structures, fixtures and other improvements to be constructed on the Site.

1.10 Law means all statutes, laws, ordinances, regulations, orders, writs, judgments, injunctions, decrees or awards of the United States or any state, county, municipality or governmental agency.

1.11 Lease Year means each calendar year during the term hereof, beginning on January 1 and ending on December 31, provided that the "First Lease Year" shall commence on the Effective Date and continue through December 31st of that same calendar year. Furthermore, the "Last Lease Year" shall end upon the expiration of the term hereof.

1.12 Leasehold Estate means the estate held by the Tenant pursuant to and created by this Ground Lease.

1.13 Leasehold Mortgage means any mortgage, deed of trust, trust indenture, letter of credit or other security instrument, including but not limited to the deeds of trust securing the First Mortgage Lender and which are part of the Loan Documents, and any assignment of the rents, issues and profits from the Site, or any portion thereof, which constitute a lien on the Leasehold Estate created by this Ground Lease and have been approved in writing by the City.

1.14 Lender means any entity holding a Leasehold Mortgage.

1.15 Loan Documents means those certain loan agreements, notes, deeds of trust and declarations and any other documents executed and delivered in connection with the construction and permanent financing for the Project.

1.16 Local Operating Subsidy Program ("LOSP") means any program of the City that provides operating income to the Project to offset costs associated with the provision of housing and services to very low-income formerly homeless residents.

1.17 LOSP Subsidy Year means any Lease Year in which the Project receives a payment under the LOSP.

1.18 MOH means the Mayor's Office of Housing for the City.

1.19 Occupant means any person or entity authorized by Tenant to occupy a residential unit on the Site, or any portion thereof.

1.20 Original Ground Lease has the meaning set forth in Recital C.

1.21 Permitted Limited Partner has the meaning set forth in Section 19.02. For the purposes of this Ground Lease, Raymond James California Housing Opportunities Fund II L.L.C., a Florida limited liability company and its successors and assigns, shall be deemed to be a Permitted Limited Partner.

1.22 Premises mean the Site together with any Improvements thereon.

1.23 Project means the multi-use development, consisting of 74 units of affordable housing plus 1 manager's unit, community space, support services spaces, common areas, commercial space and other ancillary uses on the Site. If indicated by context, Project means the leasehold interest in the Site and the fee interest in the Improvements on the Site.

1.24 Project Income means all revenue, income receipts, and other consideration actually received from the operation of leasing the Improvements and Project, including non-residential and/or commercial uses of the Site. Project Income shall include but not be limited to: all rents, fees and charges paid by tenants or users of any portion of the Site; Section 8 or other rental subsidy payments received for the dwelling units; supportive services funding, if applicable; commercial lease income; deposits forfeited by tenants; all cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements; proceeds from vending and laundry room machines; and the proceeds of business interruption or similar insurance. Project Income shall not include tenants' security deposits, loan proceeds, capital contributions or similar advances.

1.25 Site means the real property as more particularly described in the Legal Description attached hereto as Attachment 1.

1.26 Subsequent Owner means any successor (including a Lender or an affiliate or assignee of a Lender as applicable) to the Tenant's interest in the Leasehold Estate and the Improvements who acquires such interest as a result of a foreclosure, deed in lieu of foreclosure, or transfer from a Lender, its affiliate, and any successors to any such person or entity.

1.27 Subsidy Reserve Account means a checking account maintained by Tenant for the purpose of maintaining any Local Operating Subsidy Program funds that were not used during a given LOSP Subsidy Year to be used in the next LOSP Subsidy Year, which shall be held in a bank or savings and loan institution acceptable to the City as a segregated account insured by the Federal Deposit Insurance Corporation or other comparable federal insurance program, and used only for the purposes specified in Section 4.03.

1.28 Surplus Cash means all revenue generated from the Premises remaining in any given Lease Year after deduction of all operating expenses, debt service, and reserve deposits as agreed to in writing by City, the Permitted Limited Partner, and the Lenders. All permitted uses and distributions of Surplus Cash shall be governed by Section 6.02(g) of this Ground Lease.

1.29 Tenant means Broadway Sansome Associates L.P., a California limited partnership and its successors and assigns (or a Subsequent Owner, where appropriate).

1.30 Very Low-Income Households means (a) households earning no more than fifty percent (50%) of Area Median Income, for a term of 55 years from the date on which a certificate of occupancy is issued for the Project, and (b) households earning no more than sixty percent (60%) of Area Median Income for any period of the term (or extended term) of this Ground Lease thereafter, as determined by HUD for the San Francisco area, adjusted solely for actual household size, but not high housing cost area.

Whenever an Attachment is referenced under this Ground Lease, it means an attachment to this Ground Lease unless otherwise specifically identified. Whenever a section, article or paragraph is referenced under this Ground Lease, it is a reference to this Ground Lease unless otherwise specifically referenced.

ARTICLE 2: TERM

(a) **Initial Term.** The term of this Ground Lease shall commence upon the Effective Date and shall end seventy (70) years from that date, unless extended pursuant to section (b) below, or early terminated by the parties.

(b) **Option for Extension.** Provided that the Tenant is not in default of the terms of this Ground Lease, beyond any notice, grace, or cure period, either at the time of giving of an Extension Notice, as described in subparagraph (c) below, or on the last day of the term (the

“Termination Date”), the term of this Ground Lease shall be extended at the option of the Tenant for one twenty- nine (29) year period as provided below.

(c) Notice of Extension. Tenant shall have one (1) option to extend the term of this Ground Lease for a period of twenty-nine (29) years from the Termination Date. Not later than one hundred eighty (180) days prior to the Termination Date, the Tenant may notify the City in writing that it wishes to exercise its option to extend the term of this Ground Lease (an “Extension Notice”). In the event Tenant fails to deliver timely the Exercise Notice, City shall deliver to Tenant written notice of Tenant’s failure to deliver timely the Exercise Notice (the “Reminder Extension Notice”) and Tenant shall have an additional one hundred eighty (180) days after receipt of the Reminder Extension Notice to exercise the option to extend the term of this Ground Lease. Upon Tenant’s exercise of this option, the Initial Term shall be extended for twenty-nine (29) years from the Termination Date, for a total Ground Lease term of ninety-nine (99) years.

(d) Rent During Extended Term. Rent for any extended term will be as set forth in Article 4.

(e) Right of First Refusal. If during the term or extended term of this Ground Lease, the City desires to sell its interest in the Site, the Tenant shall have the right of first refusal to purchase the Site as set forth in Section 14.02.

(f) Amended and Restated Ground Lease. The parties hereby acknowledge and agree that this Ground Lease supersedes and replaces the Original Ground Lease in its entirety.

(g) Holding Over. Any holding over after the expiration of the term or extended term of this Ground Lease without the City’s express consent will be construed to extend the Term of this Ground Lease automatically on a year-to-year basis at an Annual Rent equal to two hundred percent (200%) of the latest Annual Rent payable by Tenant hereunder prior to such expiration,

and will otherwise be on the terms and conditions in this Ground Lease specified so far as applicable (except for those pertaining to the Term). Any holding over without the City's consent will constitute a default by Tenant and entitle the City to exercise any or all of its remedies as provided in this Ground Lease, even if the City elects to accept one or more payments of Annual Rent.

ARTICLE 3: FINANCING

Tenant shall submit to the City in accordance with the dates specified in the Schedule of Performance, Attachment 3, for approval by the City, evidence satisfactory to the City that Tenant has sufficient equity capital and commitments for construction and permanent financing, and/or such other evidence of capacity to proceed with the construction of the Improvements in accordance with this Ground Lease, as is acceptable to the City. City hereby acknowledges that as of the Effective Date, Tenant has provided City with sufficient evidence to satisfy this Article 3.

ARTICLE 4: RENT

4.01 Annual Rent

(a) Tenant shall pay the City THREE HUNDRED SEVENTY FIVE THOUSAND DOLLARS (\$375,000) (the "Annual Rent") per year for each year of the term of this Ground Lease, which shall be equal to ten percent (10%) of appraised value of the Site, and consists of Base Rent and Residual Rent, as defined in Sections 4.02 and 4.03 below, without offset of any kind and without necessity of demand, notice or invoice. Annual Rent shall be re-determined on the fifteenth anniversary of the date of the First Lease Payment Year and every fifteen (15) years

thereafter, and shall be equal to ten percent (10%) of the appraised value of the Site as determined by an MAI appraiser selected by and at the sole cost of the City.

(b) If the Tenant elects to extend the term of this Ground Lease pursuant to Article 2 above, Annual Rent (along with any potential future adjustments) during any such extended term shall be set by mutual agreement of the parties, taking into account the affordable housing restrictions contained in Section 9.02, project debt (including any surplus cash debt obligations) and the annual income expected to be generated by the Project. If the parties cannot agree on the amount of Annual Rent during any extended term, the parties shall invoke a neutral third-party process and shall agree on a neutral third-party appraiser to set the Annual Rent at fair market rent in accordance with the then-prevailing practice for resolving similar rent determination disputes in San Francisco taking into account the affordable housing restrictions contained in Section 9.02, project debt (including any surplus cash debt obligations) and the annual income expected to be generated by the Project or, in the event that there is no then-prevailing practice, in accordance with the rules of the American Arbitration Association. Provided, however, that after the neutral third party process and the determination of the new fair market rent, Tenant, in its sole discretion may rescind the Extension Notice if it does not wish to extend the term of this Ground Lease. The costs associated with such third-party process shall be paid for solely by City.

4.02 Base Rent

(a) "Base Rent", means, in any given Lease Year, FIFTEEN THOUSAND DOLLARS (\$15,000) per annum. Base Rent shall be due and payable in arrears on January 31st of each Lease Year, however no Base Rent shall be due until after completion of the Improvements. The first Base Rent payment shall be due on January 31st of the calendar year following the First Lease Payment Year, and shall be equal to \$15,000 times the number of days in the year

following receipt of the initial certificate of occupancy for the Improvements, divided by 365; and provided, further, that in the event that the Tenant or any Subsequent Owner fails, after notice and opportunity to cure, to comply with the provisions of Section 9.02, Base Rent shall be increased to the full amount of Annual Rent. Additionally, in the event that a Subsequent Owner elects pursuant to Section 26.06(ii) to operate the Project without being subject to Section 9.02 or any Subsequent Owner elects, pursuant to Section 26.06(ii), to operate the Project without compliance with such provisions, Annual Rent shall be adjusted as provided in Section 26.07.

(b) If the Project does not have sufficient Project Income (after the payment of operating expenses, required reserves, deposits and fees) to pay Base Rent in any given Lease Year, and the City has received written notice from Tenant regarding its inability to pay Base Rent from Project Income, the unpaid amount shall be deferred and all such deferred amounts shall accrue without interest until paid ("Base Rent Accrual"). The Base Rent Accrual shall be due and payable each year from and to the extent Surplus Cash is available to make such payments and, in any event, upon the earlier of sale of the Project or termination of this Ground Lease.

(c) If Tenant has not provided City with written notice that it cannot pay Base Rent due to insufficient Project Income, the City shall assess a late payment penalty of two percent (2%) for each month or any part thereof that any Base Rent payment is delinquent. This penalty shall not apply to Base Rent Accrual that has been previously approved by the City pursuant to Section 4.02(b). The Tenant may request in writing that the City waive such penalties by describing the reasons for Tenant's failure to pay Base Rent and Tenant's proposed actions to insure that Base Rent will be paid in the future. The City may, in its sole discretion, waive in

writing all or a portion of such penalties if it finds that Tenant's failure to pay Base Rent was beyond Tenant's control and that Tenant is diligently pursuing reasonable solutions to remedy such failure to pay.

4.03 Residual Rent

"Residual Rent" means, in any given Lease Year, THREE HUNDRED SIXTY THOUSAND DOLLARS (\$360,000), subject to any periodic adjustments pursuant to Section 4.01(a). Residual Rent shall be due in arrears on April 15th following each Lease Year. Except as otherwise provided in Section 26.07(a)(2)(C), Residual Rent shall be payable only to the extent of Surplus Cash as provided in Section 6.02(g) below, and any unpaid Residual Rent shall not accrue. However, in the event that Surplus Cash is insufficient to pay the full amount of the Residual Rent, Tenant shall certify to the City in writing by April 15 that available Surplus Cash is insufficient to pay Residual Rent and Tenant shall provide to City any supporting documentation reasonably requested by City to allow City to verify the insufficiency.

4.04 Triple Net Lease

This Ground Lease is a triple net lease and the Tenant shall be responsible to pay all costs, charges, taxes, impositions and other obligations related thereto accruing after the Agreement Date. If the City pays any such amounts, whether to cure a default or otherwise protect its interests hereunder, the City will be entitled to be reimbursed by Tenant the full amount of such payments as additional rent within thirty (30) days of written demand by City. Failure to timely pay the additional rent shall be an event of default.

ARTICLE 5: CITY COVENANTS

The City is duly created, validly existing and in good standing under the Law, and has full right, power and authority to enter into and perform its obligations under this Ground Lease. City

covenants and warrants that the Tenant and its tenants shall have, hold and enjoy, during the lease term, peaceful, quiet and undisputed possession of the Site leased without hindrance or molestation by or from anyone so long as the Tenant is not in default under this Ground Lease.

ARTICLE 6: TENANT COVENANTS

Tenant covenants and agrees for itself, and its successors and assigns to or of the Site, or any part thereof, that:

6.01 Limited Partnership/Authority

Tenant is a California limited partnership and has full rights, power and authority to enter into and perform its obligations under this Ground Lease.

6.02 Use of Site and Rents

During the term of this Ground Lease, Tenant and such successors and assigns shall comply with the following requirements:

6.02(a) Permitted Uses

Except as provided in Sections 26.06 and 26.07 of this Ground Lease, Tenant shall devote the Site to, exclusively and in accordance with, the uses specified in this Ground Lease, as specified in Article 9 hereof, which are the only uses permitted by this Ground Lease.

6.02(b) Non-Discrimination Tenant shall not discriminate against or segregate any person or group of persons on account of race, color, creed, religion, ancestry, national origin, sex, gender identity, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status) in the sale, lease, rental, sublease, transfer, use, occupancy, tenure or enjoyment of the Site or the Improvements, or any part thereof, nor shall Tenant itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy,

of Occupants, subtenants or vendees on the Site or Improvements, or any part thereof, except to the extent permitted by law or required by funding source. Tenant shall not discriminate against tenants with certificates or vouchers under the Section 8 program or any successor rent subsidy program.

6.02(c) Non-Discriminatory Advertising

All advertising (including signs) for sublease of the whole or any part of the Site shall include the legend "Equal Housing Opportunity" in type or lettering of legible size and design, or as required by applicable law.

6.02(d) Access for Disabled Persons

Comply with all applicable laws providing for access for persons with disabilities, including, but not limited to, the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973.

6.02(e) Equal Opportunity Marketing Plan

Tenant shall submit a Fair Housing Marketing Plan to be approved by the City which approval shall not be unreasonably withheld, conditioned or delayed. The Fair Housing Marketing Plan must follow the City's marketing requirements for such plans.

6.02(f) Lead Based Paint

Tenant agrees to comply with the regulations issued by the Secretary of HUD set forth in 24 CFR Part 35 and all applicable rules and orders issued thereunder which prohibit the use of lead-based paint in certain residential structures undergoing federally assisted construction and require the elimination of lead-based paint hazards.

6.02(g) Permitted Uses of Surplus Cash

All annual Project Income, prior to the calculation of Surplus Cash, shall be used to pay property expenses in the following order: first, to any and all operating expenses including required reserves, deposits, and fees contained in the loan documents evidencing loans, second, to Base Rent, and third, to any required debt service to any First Mortgage Lender (s) including without limitation the City, all as agreed to in writing by City. Any cash remaining after payment of each and all of the above mentioned obligations shall be deemed Surplus Cash. If the Tenant is in compliance with all applicable requirements and agreements under this Ground Lease, Tenant shall use Surplus Cash to make the following payments:

First, to Base Rent Accrual, if any; second, to a limited partner asset management fee; third, to replenish the operating reserve account, if necessary, up the amount required under the City Loan Documents; fourth, to any outstanding deferred developer fee; fifth, to a partnership management fee of \$17,820 increasing at an annual rate of three percent (3.5%); then one-third (1/3) of remaining Surplus Cash shall be retained by Tenant and may be used to pay Tenant's general partner an incentive management fee in an amount not to exceed \$500 per unit per year, to a maximum of \$50,000. The remaining two-thirds (2/3) of Surplus Cash, together with any additional Surplus Cash after payment of the Tenant's incentive management fee, shall be paid proportionately to HCD and the City in accordance with their investment in the Project (including the City's contribution to acquire the Site). The City's portion of Surplus Cash will be applied first to Residual Rent, and if any Surplus Cash remains, to repayment of any City loans. Notwithstanding the forgoing, beginning in the year after the City's loans to the Project have been fully repaid, all Surplus Cash will be split with one-third (1/3) of the remaining Surplus Cash retained by the Tenant and used to pay incentive management fee or for any other purpose

permitted under the Tenant's partnership agreement, and with the remaining two thirds (2/3) of Surplus Cash paid to the City and applied to Residual Rent.

6.03 City Deemed Beneficiary of Covenants

In amplification, and not in restriction, of the provisions of the preceding subsections, it is intended and agreed that the City shall be deemed beneficiary of the agreements and covenants provided in this Article 6 for and in its own right and also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit such agreements and covenants have been provided. Such agreements and covenants shall run in favor of the City for the entire period during which such agreements and covenants shall be in force and effect, without regard to whether the City has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. The City shall have the right, in the event of any breach of any such agreements or covenants, in each case, after notice and the expiration of cure periods, to exercise all the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach of covenants, to which it or any other beneficiaries of such agreements or covenants may be entitled.

ARTICLE 7: ANNUAL INCOME COMPUTATION AND CERTIFICATION

Forty-five (45) days after recordation of a NOC (as defined in Section 10.14) by the Tenant for the Improvements, and not later than December 31st of each year thereafter, Tenant will furnish to the City a list of all of the names of the persons who are Occupants of the Improvements; the specific unit which each person occupies, the household income of the Occupants of each unit, the household size and the rent being charged to the Occupants of each unit. If any state or federal agency requires an income certification for Occupants of the

Improvements containing the above-referenced information, the City agrees to accept such certification in lieu of an Income Computation and Certification substantially in the form attached hereto as Attachment 7 as meeting the requirements of this Ground Lease. In addition to such initial and annual list and certification, Tenant agrees to provide the same information and certification to the City regarding each Occupant of the Improvements not later than twenty (20) business days after such Occupant commences occupancy.

ARTICLE 8: CONDITION OF SITE - "AS IS"

Neither the City, nor any employee, agent or representative of the City has made any representation, warranty or covenant, expressed or implied, with respect to the Site, its physical condition, the condition of any improvements, any environmental laws or regulations, or any other matter, affecting the use, value, occupancy or enjoyment of the Site other than as set forth explicitly in this Ground Lease, and the Tenant understands and agrees that the City is making no such representation, warranty or covenant, expressed or implied; it being expressly understood that the Site is being leased in an "AS IS" condition with respect to all matters.

ARTICLE 9: IMPROVEMENTS AND PERMITTED USES

9.01 Scope of Development and Schedule of Performance

Tenant agrees to undertake and complete all physical construction on the Site, if any, as reasonably approved by the City, in accordance with the Schedule of Performance, Attachment 3, and the Scope of Development, Attachment 2.

9.02 Permitted Uses and Occupancy Restrictions

(a) The permitted uses of the Project are limited to approximately seventy-four (74) residential dwelling units plus one manager's unit (collectively, the "**Residential Units**"), ground floor support services spaces and common areas and two retail spaces. Upon the completion of

construction, one hundred percent (100%) of the Residential Units in the Project shall be occupied or held vacant and available for rental by Very Low Income Households. Additionally, all Residential Units shall be occupied and rented in accordance with all applicable restrictions imposed on the Project by Lenders for so long as such restrictions are required by the applicable Lender.

ARTICLE 10: CONSTRUCTION OF IMPROVEMENTS

10.01 General Requirements and Rights of City

Construction documents for the construction of the Improvements by Tenant (the "Construction Documents") shall be prepared by a person registered in and by the State of California to practice architecture and shall be in conformity with this Ground Lease, including any limitations established in the City's reasonable approval of the schematic drawings, if any, preliminary construction documents, and final construction documents for the Premises, and all applicable Federal, State and local laws and regulations. The architect shall use, as necessary, members of associated design professions, including engineers and landscape architects.

10.02 City Approvals and Limitation Thereof

The City shall have the authority to review and approve the Construction Documents, which approval shall not be granted until City has confirmed that the Construction Documents comply with Redevelopment Requirements, as described in this section below. City hereby acknowledges and agrees that it has approved the Construction Documents.

10.02(a) Compliance with Ground Lease

The City's approval with respect to the Construction Documents is limited to determination of their compliance with this Ground Lease, including, if applicable, the Scope of Development (these enumerated documents are for convenience sometimes called

“Redevelopment Requirements”). The Construction Documents shall be subject to general architectural review and guidance by the City as part of this review and approval process.

10.02(b) City Does Not Approve Compliance with Construction

Requirements

The City’s approval is not directed to engineering or structural matters or compliance with building codes and regulations, the Americans with Disabilities Act, or any other applicable State or Federal law relating to construction standards or requirements.

10.02(c) City Determination Final and Conclusive

The City’s determination respecting the compliance of the Construction Documents with Redevelopment Requirements shall be final and conclusive (except that it makes no determination and has no responsibility for the matters set forth in Section 10.02(b), above).

10.03 Construction to be in Compliance with Construction Documents and Law

10.03(a) Compliance with City and City Approved Documents

The construction shall be in material compliance with the City-approved Construction Documents.

10.03(b) Compliance with Local, State and Federal Law

The construction shall be in material compliance with all applicable local, State and Federal laws and regulations.

10.04 Approval of Construction Documents by MOH

Tenant shall submit to MOH, who shall approve or disapprove the Construction Documents referred to in this Ground Lease within the times established in the Schedule of Performance. Failure by the MOH either to approve or disapprove within the times established in the Schedule of Performance shall entitle Tenant to a day for day extension of time for

completion of those activities delayed as a result of MOH's failure to timely approve or disapprove the Construction Documents.

10.05 Disapproval of Construction Documents by City

If the City disapproves the Construction Documents in whole or in part as not being in compliance with Redevelopment Requirements or this Ground Lease, Tenant shall submit new or corrected plans which are in compliance within thirty (30) days after written notification to it of disapproval, and the provision of this section relating to approval, disapproval and re-submission of corrected Construction Documents shall continue to apply until the Construction Documents have been approved by the City; provided, however, that in any event Tenant must submit satisfactory Construction Documents (i.e., approved by City) no later than the date specified therefor in the Schedule of Performance. The approved Construction Documents including all drawings, specifications and other related documents shall be collectively referred to as the "Final Construction Documents."

10.06 Intentionally Omitted

10.07 Issuance of Building Permits

(a) Tenant shall have the sole responsibility for obtaining all necessary building permits and shall make application for such permits directly to the City's Department of Building Inspection and City shall reasonably cooperate with Tenant in obtaining and applying for such permits. The City understands and agrees that Tenant may use the Fast Track method of permit approval for building the Improvements.

(b) The Tenant is advised that the Central Permit Bureau forwards all building permits to MOH for MOH approval of compliance with Redevelopment Requirements. MOH's approval of compliance with Redevelopment Requirements is limited and does not include

Section 10.02(b) matters. Agency evidences such compliance by signing the permit and returning the permit to the Central Permit Bureau for issuance directly to the Tenant. Approval of any intermediate permit, however, is not approval of compliance with all Redevelopment Requirements necessary for a full and final building permit.

(c) Notwithstanding anything contain in this Section 10.07 to the contrary, the City has obtained, at City's sole cost, the site permit for the Project (the "Site Permit"), and City shall cause the Site Permit to be fully assigned and transferred to the Tenant.

10.08 Performance and Payment Bonds

Prior to commencement of construction of the Improvements, Tenant shall deliver to the City performance and payment bonds, each for the full value of the cost of construction of the Improvements, which bonds shall name the City as co-obligee, or such other completion security which is acceptable to the City.

10.09 City Approval of Changes after Commencement of Construction

Once construction has commenced, the only Construction Document matters subject to further review by MOH will be requests for any material changes in the Construction Documents which affect matters previously approved by MOH. Permission to make such changes shall be requested by Tenant in writing directed to MOH, Attention: Senior Project Manager/Construction Supervisor or his designee. MOH shall reply in writing giving approval or disapproval of the changes within ten (10) days after receiving such request. If the request is disapproved, the reply must specify the reasons for the disapproval.

10.10 Times for Construction

Tenant agrees for itself, and its successors and assigns to or of the Leasehold Estate or any part thereof, that Tenant and such successors and assigns shall promptly begin and diligently

prosecute to completion the redevelopment of the Site through the construction of the Improvements thereon, and that such construction shall in any event commence and thereafter diligently continue and shall be completed no later than the dates specified in the Schedule of Performance, subject to force majeure, unless such dates are extended by the City.

10.11 Force Majeure

For the purposes of any of the provisions of this Ground Lease, neither the City nor Tenant, as the case may be, shall be considered in breach or default of its obligations, nor shall there be deemed a failure to satisfy any conditions with respect to the beginning and completion of construction of the Improvements, or progress in respect thereto, in the event of enforced delay in the performance of such obligations or satisfaction of such conditions, due to unforeseeable causes beyond its control and without its fault or negligence, including, but not restricted to, acts of God, or of the public enemy, acts of the government, compliance with governmental or utility orders or regulations or requirements, acts of the other party, lawsuits, actions, or other proceedings brought against the Tenant or the project by third parties, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, general scarcity of materials and unusually severe weather or delays of subcontractors due to such causes; it being the purposes and intent of this provision that in the event of the occurrence of any such enforced delay, the time or times for the satisfaction of conditions to this Ground Lease including those with respect to construction of the Improvements, shall be extended for the period of the enforced delay; provided, however, that the party seeking the benefit of the provisions of this paragraph shall have notified the other party thereof in writing of the cause or causes thereof within thirty (30) days after the beginning of any such enforced delay and requested an extension for the period of the enforced delay.

10.12 Reports

Until completion of construction of the Improvements, Tenant shall make a report in writing to the City every three (3) months, in such detail as may reasonably be required by the City, as to the actual progress of the Tenant with respect to such construction.

10.13 Access to Site

Tenant shall permit access to the Site to the City to the extent necessary to carry out the purposes of the provisions of this Ground Lease, during normal business hours, at reasonable times and upon reasonable advance notice.

10.14 Notice of Completion

Promptly upon completion of the construction of the Improvements in accordance with the provisions of this Ground Lease, Tenant shall timely file a Notice of Completion ("NOC"), and record such NOC in the San Francisco Recorder's Office. Tenant shall provide City with a copy of the recorded NOC.

10.15 Completion of Improvements by New Developer

In the event Lender or a successor thereto forecloses, obtains a deed in lieu of foreclosure or otherwise realizes upon the Premises and undertakes construction of the Improvements ("New Developer") (A) such New Developer shall not be bound by the provisions of the Schedule of Performance with respect to any deadlines for the completion of the Improvements but shall only be required to complete the Improvements with due diligence and in conformance with a new Schedule of Performance as agreed upon by the New Developer and the City, (B) such New Developer shall only be required to complete the Improvements in accordance with all applicable building codes and ordinances, and the approved Construction Documents with such changes that are mutually agreed upon by the City and the New Developer pursuant to Subsection (C) hereof; and (C) City and New Developer shall negotiate in good faith such

reasonable amendments and reasonable modifications to Section 10 of this Lease as the parties mutually determine to be reasonably necessary based upon the financial and construction conditions then existing.

ARTICLE 11: COMPLETION OF IMPROVEMENTS

11.01 Certificate of Completion - Issuance

Promptly after completion of the construction of the Improvements in accordance with the provisions of this Ground Lease, the City will furnish Tenant with an appropriate instrument so certifying. Such certification by the City shall be a conclusive determination of satisfaction and termination of the agreements and covenants of this Ground Lease with respect to the obligation of Tenant, and its successors and assigns, to construct the Improvements in accordance with City approved Final Construction Documents and the dates for the beginning and completion thereof; provided, however, that such determination shall only be withheld because of failure to carry out specific requirements of the Redevelopment Requirements or this Ground Lease; provided further, that such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of Tenant to any Lender, or any insurer of a mortgage, securing money loaned to finance the construction or any part thereof; provided further, that City issuance of any Certificate of Completion does not relieve Tenant or any other person or entity from any and all City requirements or conditions to occupancy of the Improvements, which requirements or conditions must be complied with separately.

11.02 Certifications to be Recordable

All certifications provided for in this section shall be in such form as will enable them to be recorded with the San Francisco Recorder's Office.

11.03 Certification of Completion - Non-Issuance Reasons

If the City shall refuse or fail to provide any certification in accordance with the provisions of Section 11.01, the City shall provide Tenant with a written statement, within fifteen (15) days after written request by Tenant, indicating in adequate detail in what respects Tenant has failed to complete the construction of the Improvements in accordance with the provisions of this Ground Lease and what measures or acts will be necessary, in the opinion of the City, for Tenant to take or perform in order to obtain such certification.

ARTICLE 12: CHANGES TO THE IMPROVEMENTS

12.01 Post Completion Changes

The City has a particular interest in the Site and in the nature and extent of the permitted changes to the Improvements. Accordingly, it desires to and does hereby impose the following particular controls on the Site and on the Improvements: during the term of this Ground Lease, neither Tenant, nor any voluntary or involuntary successor or assign, shall make or permit any Change (as defined in Section 12.02) in the Improvements, unless the express prior written consent for any change shall have been requested in writing from the City and obtained, and, if obtained, upon such terms and conditions as the City may reasonably be require. The City agrees not to withhold, condition or delay its response to such a request unreasonably.

12.02 Definition of Change

“Change” as used in this Article means any alteration, modification, addition and/or substitution of or to the Site, the Improvements, and/or the density of development which differs materially from that which existed upon the completion of construction of the Improvements in accordance with this Ground Lease, and shall include without limitation the exterior design, exterior materials and/or exterior color. For purposes of the foregoing, exterior shall mean and include the roof of the Improvements. Changes shall not include repairs, maintenance and

interior alterations in the normal course of operation of the Project, tenant improvements made by tenants to the commercial space pursuant to commercial leases, or as may be required in an emergency to protect the safety and well-being of the Occupants, the Tenant, Tenant's tenants or subtenants, or anyone lawfully permitted on the Site.

12.03 Enforcement

Subject to Article 19 hereof, City shall have any and all remedies in law or equity (including without limitation restraining orders, injunctions and/or specific performance), judicial or administrative, to enforce the provisions of this Article 12, including without limitation any actual breach or violation thereof.

ARTICLE 13: TITLE TO IMPROVEMENTS

Fee title to any Improvements shall be vested in Tenant and shall remain vested in Tenant during the term of this Ground Lease, subject to Section 14.01 below. Subject to the rights of any Lenders and as further consideration for the City entering into this Ground Lease, at the expiration or earlier termination of this Ground Lease, fee title to all the Improvements shall vest in the City without further action of any party, without any obligation by the City to pay any compensation therefor to Tenant and without the necessity of a deed from Tenant to the City.

ARTICLE 14: ASSIGNMENT, SUBLEASE OR OTHER CONVEYANCE

14.01 Assignment, Sublease or Other Conveyance by Tenant

Tenant may not sell, assign, convey, sublease, or transfer in any other mode or form all or any part of its interest in this Ground Lease or in the Improvements or any portion thereof, other than to Lender(s) or affiliates of Lenders, or allow any person or entity to occupy or use all or any part of the Site, other than leases to residential tenants in the ordinary course of business, or to service providers or vendors, nor may it contract or agree to do any of the same, without the prior

written approval of the City, which approval shall not be unreasonably withheld or delayed. Notwithstanding anything contained herein to the contrary, Tenant may sell, assign, convey, sublease or transfer any or all of its interests in and to this Ground Lease to Chinatown Community Development Center, Inc. ("CCDC"), or to an affiliate or successor of CCDC, and may change, assign, acquire, or liquidate partnership interests in Tenant, as permitted under Article 49 of this Lease. The City reserves the right to review and approve any commercial leases for the Site. Such approval shall not be unreasonably withheld, conditioned or delayed.

14.02 Assignment, Sublease or Other Conveyance by City

The parties acknowledge that any sale, assignment, transfer or conveyance of all or any part of the City's interest in the Site, the Improvements, or this Ground Lease, is subject to this Ground Lease. The City will require that any purchaser, assignee or transferee expressly assume all of the obligations of the City under this Ground Lease by a written instrument recordable in the Official Records of the City. This Ground Lease shall not be affected by any such sale, and Tenant shall attorn to any such purchaser or assignee. In the event that the City intends to sell all or any part of the Site, the City shall notify Tenant of the proposed terms of such sale not later than ninety (90) days before the anticipated close of escrow. Tenant shall have sixty (60) days from the giving of such notice to exercise a right of first refusal to purchase the Site on the same terms and conditions of such proposed sale, provided that any sale of City's interest in the Site shall be subject to the prior approval of the City's Board of Supervisors and Mayor.

ARTICLE 15: TAXES

Tenant agrees to pay, or cause to be paid, when due to the proper authority, any and all valid taxes, assessments and similar charges on the Site which become effective after the Effective Date of this Ground Lease, including all taxes levied or assessed on the possession, use

or occupancy, as distinguished from the ownership, of the Site. Tenant shall not permit any such taxes, charges or other assessments to become a defaulted lien on the Site or the Improvements thereon; provided, however, that in the event any such tax, assessment or similar charge is payable in installments, Tenant may make, or cause to be made, payment in installments; and, provided further, that Tenant may contest the legal validity or the amount of any tax, assessment or similar charge, through such proceedings as Tenant considers necessary or appropriate, and Tenant may defer the payment thereof so long as the validity or amount thereof shall be contested by Tenant in good faith and without expense to the City. In the event of any such contest, Tenant shall protect, defend and indemnify the City against all loss, cost, expense or damage resulting there from, and should Tenant be unsuccessful in any such contest, Tenant shall forthwith pay, discharge, or cause to be paid or discharged, such tax, assessment or other similar charge. The City shall furnish such information as Tenant shall reasonably request in connection with any such contest provided that such information is in City's possession, control or is otherwise available to the public. City hereby consents to and shall reasonably cooperate and assist with Tenant in applying for and obtaining any applicable exemptions from taxes or assessments levied on the Site, the Improvements or on Tenant's interest thereon.

ARTICLE 16: UTILITIES

Tenant shall procure water and sewer service from the City and electricity, telephone, natural gas and any other utility service from the City or utility companies providing such services, and shall pay all connection and use charges imposed in connection with such services. As between the City and Tenant, Tenant shall be responsible for the installation and maintenance of all facilities required in connection with such utility services to the extent not installed or maintained by the City or the utility providing such service.

ARTICLE 17: MAINTENANCE

Tenant, at all times during the term hereof, shall maintain or cause to be maintained the Premises in good condition and repair, including the exterior, interior, substructure and foundation of the Improvements and all fixtures, equipment and landscaping from time to time located on the Site or any part thereof. The City shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatsoever to the Site or any buildings or to improvements now or hereafter located thereon.

ARTICLE 18: LIENS

Tenant shall use its best efforts to keep the Site free from any liens arising out of any work performed or materials furnished by itself or its subtenants. In the event that Tenant shall not cause the same to be released of record or bonded around within twenty (20) days following written notice from the City of the imposition of any such lien, the City shall have, in addition to all other remedies provided herein and by law, the right but not the obligation to cause the same to be released by such means as it shall deem proper, including payment of the claim giving rise to such lien. All sums paid by the City for such purpose, and all reasonable expenses incurred by it in connection therewith, shall be payable to the City by Tenant on demand; provided, however, Tenant shall have the right, upon posting of an adequate bond or other security, to contest any such lien, and the City shall not seek to satisfy or discharge any such lien unless Tenant has failed so to do within ten (10) days after the final determination of the validity thereof. In the event of any such contest, Tenant shall protect, defend, and indemnify the City against all loss, cost, expense or damage resulting therefrom.

ARTICLE 19: GENERAL REMEDIES

19.01 Application of Remedies

The provisions of this Article 19 shall govern the parties' remedies for breach of this Ground Lease.

19.02 Notice and Cure Rights for Tenant and Permitted Limited Partner

(a) The City may not exercise its remedies under this Ground Lease for a default by the Tenant unless and until (i) the City has given written notice of any such default, in accordance with the notice provisions of Article 39, to Tenant and Permitted Limited Partners who have requested notice as set forth below ("Permitted Limited Partners"), and (ii) such default has not been cured within sixty (60) days, or such longer period as may be set forth herein, following the giving of such notice or, if such default cannot be cured within such 60-day period, such longer period as is reasonably necessary to cure such default, provided that such cure has been commenced within such 60-day period and is being prosecuted diligently to completion. If a Permitted Limited Partner cannot cure a default due to an automatic stay in Bankruptcy court because the general partner of the Tenant is in bankruptcy, any cure period will be tolled during the pendency of such automatic stay.

(b) The City will not exercise its remedy to terminate this Ground Lease if a Permitted Limited Partner is attempting to cure the default and such cure requires removal of the General Partner, so long as the Permitted Limited Partner is proceeding diligently to remove the General Partner in order to effect a cure of such default.

(c) Unless otherwise provided for herein, any limited partner wishing to become a Permitted Limited Partner other than the Permitted Limited Partner identified in Section 39 must provide five (5) days written notice to the City in accordance with the notice provisions of this Ground Lease, setting forth a notice address and providing a copy of such notice to the Tenant and all of the Tenant's partners. Such limited partner will become a Permitted Limited Partner

upon the expiration of the five-day period. A limited partner will not be afforded the protections of this section with respect to any default occurring prior to the time such limited partner becomes a Permitted Limited Partner.

19.03 Breach by City

If Tenant believes a material breach of this Ground Lease has occurred, Tenant shall first notify the City in writing of the purported breach, giving the City sixty (60) days from receipt of such notice to cure such breach. In the event City does not then cure or, if the breach is not reasonably susceptible to cure within that sixty (60) day period, begin to cure within sixty (60) days and thereafter diligently prosecute such cure to completion, then Tenant shall be afforded all of its rights at law or in equity by taking any or all of the following remedies: (i) terminating in writing this entire Ground Lease with the written consent of each Lender; (ii) prosecuting an action for damages; (iii) seeking specific performance of this Ground Lease; or (iv) any other remedy available at law or equity.

19.04 Breach by Tenant

19.04(a) Default by Tenant

Subject to the notice and cure rights under Section 19.02, the following events each constitute a basis for the City to take action against Tenant:

(1) Tenant fails to comply with the Permitted Uses and Occupancy Restrictions set forth in Section 9.02;

(2) Tenant voluntarily or involuntarily assigns, transfers or attempts to transfer or assign this Ground Lease or any rights in this Ground Lease, or in the Improvements, except as permitted by this Ground Lease;

(3) Tenant, or its successor in interest, shall fail to pay real estate taxes or assessments on the Premises or any part thereof when due, or shall place thereon any encumbrance or lien unauthorized by this Ground Lease, or shall suffer any levy or attachment to be made, or any material supplier's or mechanic's lien or any other unauthorized encumbrance or lien to attach, and such taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged; provided, however, that Tenant shall have the right to contest any tax or assessment pursuant to Article 15 and Article 18 and, upon the posting of an adequate bond or other security, to contest any such lien or encumbrance. In the event of any such contest, Tenant shall protect, indemnify and hold City harmless against all losses and damages, including reasonable attorneys' fees and costs resulting therefrom;

(4) Tenant shall be adjudicated bankrupt or insolvent or shall make a transfer in fraud of creditors, or make an assignment for the benefit of creditors, or bring or have brought against Tenant any action or proceeding of any kind under any provision of the Federal Bankruptcy Act or under any other insolvency, bankruptcy or reorganization act and, in the event such proceedings are involuntary, Tenant is not dismissed from the same within sixty (60) days thereafter; or, a receiver is appointed for a substantial part of the assets of Tenant and such receiver is not discharged within sixty (60) days;

(5) Tenant breaches any other material provision of this Ground Lease;

(6) Tenant fails to pay any portion of Annual Rent when due in accordance with the terms and provisions of this Ground Lease.

19.04(b) Notification and City Remedies

Upon the happening of any of the events described in Section 19.04(a) above and prior to exercising any remedies, the City shall notify Tenant, the Permitted Limited Partners and

each Lender in writing of the Tenant's purported breach, failure or act, giving Tenant sixty (60) days from receipt of such notice to cure such breach, failure or act. In the event Tenant does not cure or, if the breach, failure or act is not reasonably susceptible to cure within that sixty (60) day period, begin to cure within sixty (60) days and thereafter diligently prosecute such cure to completion, then, subject to the rights of any Lender and subject to Section 19.02 and Article 26, the City thereafter shall be afforded all of its rights at law or in equity, including any or all of the following remedies: (1) terminating in writing this Ground Lease; or (2) prosecuting an action for damages or (3) seeking specific performance of this Ground Lease; or (4) in the case of default under Section 19.04(a)(1), increasing the Base Rent to the full amount of the Annual Rent.

Notwithstanding the foregoing, during the 15-year tax credit compliance period, City may only terminate this Ground Lease for a default by Tenant under Section 19.04(a)(6) above.

ARTICLE 20: DAMAGE AND DESTRUCTION

20.01 Insured Casualty

If the Improvements or any part thereof are damaged or destroyed by any cause covered by any policy of insurance required to be maintained by Tenant hereunder, Tenant shall promptly commence and diligently complete the restoration of the Improvements as nearly as possible to the condition thereof prior to such damage or destruction; provided, however, that if more than fifty percent (50%) of the Improvements are destroyed or are so damaged by fire or other casualty and if the insurance proceeds do not provide at least ninety percent (90%) of the funds necessary to accomplish the restoration, Tenant, with the written consent of Lender, may terminate this Ground Lease within thirty (30) days after the later of (i) the date of such damage or destruction, or (ii) the date on which Tenant is notified of the amount of insurance proceeds available for

restoration. In the event Tenant is required or elects to restore the Improvements, all proceeds of any policy of insurance required to be maintained by Tenant under this Ground Lease shall, subject to any rights of Lenders, be used by Tenant for that purpose and Tenant shall make up from its own funds or obtain additional financing as reasonably approved by the City any deficiency between the amount of insurance proceeds available for the work of restoration and the actual cost thereof. In the event Tenant elects to terminate this Ground Lease pursuant to its right to do so under this Section 20.01, or elects not to restore the Improvements, the insurance proceeds shall be disbursed in the order set forth in Section 20.03 below.

20.02 Uninsured Casualty

If (i) more than 50% of the Improvements are damaged or destroyed and ten percent (10%) or more of the cost of restoration is not within the scope of the insurance coverage; and (ii) in the reasonable opinion of Tenant, the undamaged portion of the Improvements cannot be completed or operated on an economically feasible basis; and (iii) there is not available to Tenant any feasible source of third party financing for restoration reasonably acceptable to Tenant; then Tenant may, with the written consent of each Lender, other than the City, terminate this Ground Lease upon ninety (90) days written notice to the City. If it appears that the provisions of this Section 20.02 may apply to a particular event of damage or destruction, Tenant shall notify the City promptly and not consent to any settlement or adjustment of an insurance award without the City's written approval, which approval shall not be unreasonably withheld or delayed. In the event that Tenant terminates this Ground Lease pursuant to this Section 20.02, all insurance proceeds and damages payable by reason of the casualty shall be divided among City, Tenant and Lenders in accordance with the provisions of Section 20.03. If Tenant does not have the right, or elects not to exercise the right, to terminate this Ground Lease as a result of an uninsured casualty,

Tenant shall promptly commence and diligently complete the restoration of the Improvements as nearly as possible to their condition prior to such damage or destruction in accordance with the provisions of Section 20.01 and shall, subject to any applicable rights of Lenders, be entitled to all available insurance proceeds.

20.03 Distribution of the Insurance Proceeds

In the event of an election by Tenant to terminate and surrender as provided in either Sections 20.01 or 20.02, the priority and manner for distribution of the proceeds of any insurance policy required to be maintained by Tenant hereunder shall be as follows:

(a) First to the Lenders, in order of their priority, to control, disburse or apply to any outstanding loan amounts in accordance with the terms their respective Leasehold Mortgages;

(b) Second, to pay for the cost of removal of all debris from the Site or adjacent and underlying property, and for the cost of any work or service required by any statute, law, ordinance, rule, regulation or order of any federal, state or local government, or any agency or official thereof, for the protection of persons or property from any risk, or for the abatement of any nuisance, created by or arising from the casualty or the damage or destruction caused thereby;

(c) Third, to compensate City for any diminution in the value (as of the date of the damage or destruction) of the Site as a raw development site caused by or arising from the damage or destruction; and

(d) The remainder to Tenant.

20.04 Clean Up of Housing Site

In the event the Tenant terminates this Ground Lease pursuant to the provisions of Sections 20.01 or 20.02 and the proceeds of any insurance policy are insufficient to pay the clean-

up and other costs described in Article 20.03(b), Tenant shall have the obligation to pay the portion of such costs not covered by the insurance proceeds.

ARTICLE 21: DAMAGE TO PERSON OR PROPERTY; HAZARDOUS MATERIALS;
INDEMNIFICATION

21.01 Damage to Person or Property -General Indemnification

City shall not in any event whatsoever be liable for any injury or damage to any person happening on or about the Site, for any injury or damage to the Premises, or to any property of Tenant, or to any property of any other person, entity or association on or about the Site, unless arising from any gross negligence or willful misconduct of the City or any of its commissioners, officers, agents or employees. Tenant shall defend, hold harmless and indemnify the City and its respective commissioners, officers, agents, and employees, of and from all claims, loss, damage, injury, actions, causes of action and liability of every kind, nature and description directly or indirectly arising from its tenancy, its use of the Site, including adjoining sidewalks and streets, and any of its operations activities thereon or connected thereto; provided, however, that this Article 21 shall not be deemed or construed to and shall not impose an obligation to indemnify and save harmless the City or any of its commissioners, officers, agents or employees from any claim, loss, damage, liability or expense, of any nature whatsoever, arising from or in any way related to or connected with any willful misconduct or gross negligence of the City, any of its commissioners, officers, agents, employees or by the person or entity seeking such indemnity.

21.02 Hazardous Materials -Indemnification

(a) Tenant shall indemnify, defend, and hold the City, and its commissioners, officers, agents and employees (individually, an "Indemnified Party" and collectively, the

"Indemnified Parties") harmless from and against any and all losses, costs, claims, damages, liabilities, and causes of action of any nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel and engineering consultants) incurred by or asserted against any Indemnified Party in connection with, arising out of, in response to, or in any manner relating to violation of any Environmental Law, or any Release, threatened Release and any condition or Hazardous Substance related nuisance on, under or from the Site.

(b) For purposes of this Section 21.02, the following definitions shall apply:

(i) "Hazardous Substance" shall have the meaning set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended as of the date of this Agreement, 42 U.S.C. 9601(14), and in addition shall include, without limitation, petroleum (including crude oil or any fraction thereof) and petroleum products, asbestos, asbestos-containing materials, polychlorinated biphenyls ("PCBs"), PCB-containing materials, all hazardous substances identified in the California Health & Safety Code Section 25316 and Section 25281(d), all chemicals listed pursuant to the California Health & Safety Code 25249.8, and any substance deemed a hazardous substance, hazardous material, hazardous waste, or contaminant under Environmental Law. The foregoing definition shall not include substances which occur naturally on the Site.

(ii) "Environmental Law" shall include all federal, state and local laws, regulations and ordinances governing hazardous waste, wastewater discharges, drinking water, air emissions, Hazardous Substance releases or reporting requirements, Hazardous Substance use or storage, and employee or community right-to-know requirements related to the work being performed under this Agreement.

(iii) "Release" shall mean any spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment, including the abandonment or discharging of barrels, containers, and other closed receptacles containing any Hazardous Substance.

ARTICLE 22: INSURANCE

22.01 Insurance

The Tenant shall maintain insurance meeting the requirements of this Article.

22.01(a) Insurance Requirements for Tenant

During the term of this Ground Lease, Tenant shall procure and maintain insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of any work hereunder by the Tenant, its agents, representatives, employees or subcontractors and the Tenant's use and occupancy of the Site and the Improvements.

22.01(b) Minimum Scope of Insurance

Coverage shall be at least as broad as:

- (1) Insurance Services Office Commercial General Liability coverage (form CG 00 01 – "Occurrence") or other form approved by the City's Risk Manager.
- (2) Insurance Services Office Automobile Liability coverage, code 1 (form CA 00 01 – "Any Auto") or other form approved by the City's Risk Manager.
- (3) Workers' Compensation Insurance as required by the State of California and Employer's Liability insurance.
- (4) Professional Liability Insurance: Tenant shall require that all architects, engineers, and surveyors for the Project have liability insurance covering negligent

acts, errors and omissions. Tenant shall provide the City with copies of consultants' insurance certificates showing such coverage.

(5) Insurance Services Office Property Insurance coverage (form CP 10 30 60 95 – “Causes of Loss – Special Form”) or other form approved by the City’s Risk Manager.

(6) Crime Policy or Fidelity Bond covering the Borrower’s officers and employees against dishonesty with respect to the use of City funds.

22.01(c) Minimum Limits of Insurance

Tenant shall maintain limits no less than:

(1) General Liability: Commercial General Liability insurance with no less than One Million Dollars (\$1,000,000) combined single limit per occurrence and Two Million Dollars (\$2,000,000) annual aggregate limit for bodily injury and property damage, including coverage for contractual liability; personal injury; fire damage legal liability; advertisers’ liability; owners’ and contractors’ protective liability; products and completed operations; broad form property damage; and explosion, collapse and underground (XCU) coverage during any period in which Tenant is conducting any activity on, alteration or improvement to the Site with risk of explosion, collapse, or underground hazards..

(2) Automobile Liability: Business Automobile Liability insurance with no less than One Million Dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable.

(3) Workers’ Compensation: Workers’ Compensation, in statutory amounts, with Employers’ Liability limits not less than One Million Dollars (\$1,000,000) each accident, injury, or illness.

(4) Professional Liability: Professional Liability insurance of no less than One Million Dollars (\$1,000,000) per claim and Two Million Dollars (\$2,000,000) annual aggregate limit covering all negligent acts, errors and omissions of Tenant's architects, engineers and surveyors.

(5) Crime Policy or Fidelity Bond: Crime Policy or Fidelity Bond of no less than Seventy Five Thousand Dollars (\$75,000) each loss, with any deductible not to exceed Five Thousand Dollars (\$5,000) each loss.

(6) Pollution Liability and/or Asbestos Pollution Liability: Pollution Liability and/or Asbestos Pollution Liability applicable to the work being performed, with a limit no less than \$1,000,000 per claim or occurrence and \$2,000,000 aggregate per policy period of one year, this coverage shall be endorsed to include Non-Owned Disposal Site coverage.

(7) Property and Builder's Risk Insurance:

(a) Prior to construction:

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

(b) During the course of construction:

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

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

(c) Upon completion of construction:

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

(ii) Boiler and machinery insurance, comprehensive form, covering damage to, loss or destruction of machinery and equipment located on the Site that is used by Tenant for heating, ventilating, air-conditioning, power generation and similar purposes, in an

amount not less than one hundred percent (100%) of the actual replacement value of such machinery and equipment.

22.01(d) Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions in excess of \$25,000 must be declared to and approved by City's Risk Manager. At the option of City's Risk Manager, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the City and County of San Francisco, and their respective commissioners, members, officers, agents, and employees; or the Tenant shall procure a financial guarantee satisfactory to the City's Risk Manager guaranteeing payment of losses and related investigations, claim administration and defense expenses.

22.01(e) Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

(1) General Liability and Automobile Liability Coverage:

(a) The "City and County of San Francisco, and their respective commissioners, members, officers, agents, and employees", are to be covered as additional insured with respect to: liability arising out of activities performed by or on behalf of the Tenant related to the Project; products and completed operations of the Tenant, premises owned, occupied or used by the Tenant related to the Project; and automobiles owned, leased, hired or borrowed by the Tenant for the operations related to the Project. The coverage shall contain no special limitations on the scope of protection afforded to the City and its Commissioners, members, officers, agents or employees.

(2) Workers' Compensation and Property Insurance: The insured shall agree to waive all rights of subrogation against the "City and County of San Francisco, and their

respective commissioners, members, officers, agents, and employees" for any losses in connection with this Project.

(3) Claims-made Coverage: Should any of the required insurance be provided under a claims-made form, Tenant shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

(4) All Coverage: Each insurance policy required by this Article shall:

(a) Be endorsed to state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to City, except in the event of suspension for nonpayment of premium, in which case ten (10) days' notice shall be given.

(b) Contain a clause providing that the City and its officers, agents and employees will not be liable for any required premium.

(c) For any claims related to this Ground Lease, the Tenant's insurance coverage shall be primary insurance with respect to the City and its commissioners, members, officers, agents, and employees. Any insurance or self-insurance maintained by the City or its commissioners, members, officers, agents, or employees shall be in excess of the Tenant's insurance and shall not contribute with it.

(d) The Tenant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(e) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City and its commissioners, members, officers, agents, or employees.

(f) Approval of Tenant's insurance by the City will not relieve or decrease the liability of Tenant under this Ground Lease.

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

22.01(f) Acceptability of Insurers

Insurance is to be placed with insurers with a Best's rating of no less than A-VIII or as otherwise approved by the City's Risk Manager.

22.01(g) Verification of Coverage

Tenant shall furnish City with certificates of insurance and with original endorsements effecting coverage required by this clause at the commencement of this Ground Lease and annually thereafter. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements demonstrating the coverage required by these specifications at any time.

22.01(h) Subcontractors

Tenant shall include all subcontractors and consultants as additional insureds under its policies or shall furnish separate certificates and endorsements for each. Tenant shall require the subcontractor(s) to provide all necessary insurance and to name the City and County of San

Francisco, its officers, agents and employees and the Tenant as additional insureds. All coverage for subcontractors and consultants shall be subject to all of the requirements stated herein unless otherwise approved by the City's Risk Manager.

ARTICLE 23: COMPLIANCE WITH SITE-RELATED AND LEGAL REQUIREMENTS

23.01 Compliance with Legal Requirements

Tenant shall at its cost and expense, promptly comply with all Laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, with the requirements of any board of fire underwriters or other similar body now or hereafter constituted, with any direction or occupancy certificate issued pursuant to any law by any public officer or officers, insofar as any thereof relates to or affects the condition, use or occupancy of the Site. In the event Tenant contests any of the foregoing, Tenant shall not be obligated to comply therewith to the extent that the application of the contested law, statute, ordinance, rule, regulation or requirement is stayed by the operation of law or administrative or judicial order and Tenant indemnifies the City against all loss, cost, expense or damage resulting from noncompliance.

23.02 Regulatory Approvals

Tenant understands and agrees that the City is entering into this Ground Lease in its capacity as a landowner with a proprietary interest in the Premises and not as a regulatory agency with certain police powers. Tenant understands and agrees that neither entry by the City into this Ground Lease nor any approvals given by the City under this Ground Lease will be deemed to imply that Tenant will obtain any required approvals from City departments, boards or commissions that have jurisdiction over the Premises. By entering into this Ground Lease, the

City is in no way modifying or limiting the obligations of Tenant to develop the Project in accordance with all Laws, as provided in this Ground Lease.

Tenant understands that its construction of the Improvements on the Premises and development of the Project will require approval, authorization or permit by governmental agencies with jurisdiction, which may include the City's Planning Commission and/or Zoning Administrator and the Department of Building Inspection. Tenant must use good faith efforts to obtain and will be solely responsible for obtaining any such approvals required for the Project in the manner set forth in this Section. Tenant will not seek any regulatory approval without first obtaining MOH's approval, which approval shall not be unreasonably withheld or delayed. Throughout the permit process for any regulatory approval, Tenant will consult and coordinate with MOH in Tenant's efforts to obtain permits. MOH will cooperate reasonably with Tenant in its efforts to obtain permits; provided, however, Tenant may not agree to the imposition of conditions or restrictions in connection with its efforts to obtain a permit from any other regulatory agency if the City is required to be a co-permittee under the permit or the conditions or restrictions could create any financial or other material obligations on the part of the City whether on or off of the Premises, unless in each instance MOH has approved the conditions previously in writing and in MOH's reasonable discretion. No approval by MOH will limit Tenant's obligation to pay all the costs of complying with conditions under this Section. Tenant must bear all costs associated with applying for and obtaining any necessary regulatory approval, as well as any fines, penalties or corrective actions imposed as a result of Tenant's failure to comply with the terms and conditions of any regulatory approval.

With MOH's prior written consent, Tenant will have the right to appeal or contest any condition in any manner permitted by law imposed upon any regulatory approval. In addition to

any other indemnification provisions of this Ground Lease, Tenant must indemnify the City and its commissioners, officers, agents or employees from and against any and all losses that may arise in connection with Tenant's failure to obtain or comply with the terms and conditions of any regulatory approval or with the appeal or contest of any conditions of any regulatory approval, except to the extent damage arises out of the gross negligence or willful misconduct of the City or its agents.

ARTICLE 24: ENTRY

(a) The City reserves for itself and its authorized representatives the right to enter the Property at all reasonable times during normal business hours upon not less than forty-eight (48) hours' written notice to Tenant (except in the event of an emergency), subject to the rights of the occupants, tenants and others lawfully permitted on the Property, for any of the following purposes:

- (i) to inspect the work being performed by Tenant in developing the Project.
- (ii) to determine whether the Premises is in good condition and to inspect the Premises (including soil borings or other Hazardous Material Investigations);
- (iii) to determine whether Tenant is in compliance with its Ground Lease obligations and to cure or attempt to cure any Tenant default;
- (iv) to serve, post or keep posted any notices required or allowed under any of the provisions of this Ground Lease;
- (v) to do any maintenance or repairs to the Premises that the City has the right or the obligation, if any, to perform hereunder; and

(vi) to show the Premises to any prospective purchasers, brokers, Lenders or public officials, or, during the last year of the Term of this Lease, exhibit the Premises to prospective tenants or other occupants, and to post any reasonable "for sale" or "for lease" signs in connection therewith.

(b) In the event of any emergency, as reasonably determined by the City, at its sole option and without notice, the City may enter the Premises and alter or remove any Improvements or Tenant's personal property on or about the Premises as reasonably necessary, given the nature of the emergency. The City will have the right to use any and all means the City considers appropriate to gain access to any portion of the Premises in an emergency, in which case, the City will not be responsible for any damage or injury to any property, nor for the replacement of any property, and no emergency entry may be deemed to be a forcible or unlawful entry onto or a detainer of the Premises, or an eviction, actual or constructive, of Tenant from the Premises or any portion thereof.

(c) The City will not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of the City's entry onto the Premises, except to the extent damage arises out of the gross negligence or willful misconduct of the City or its agents. The City will be responsible for any losses resulting from its gross negligence or willful misconduct and will repair any resulting damage promptly.

(d) Tenant will not be entitled to any abatement in Annual Rent if the City exercises any rights reserved in this Section, subject to subsection (c) above.

(e) The City will use its reasonable good faith efforts to conduct any activities on the Premises allowed under this Section in a manner that, to the extent practicable, will minimize any disruption to Tenant's use hereunder.

ARTICLE 25: MORTGAGE FINANCING

25.01 No Encumbrances Except for Development Purposes

Notwithstanding any other provision of this Ground Lease and subject to the prior written consent of the City in the form attached hereto as Attachment 4, which consent shall not be unreasonably withheld, conditioned or delayed, Leasehold Mortgages are permitted to be placed upon the Leasehold Estate only for the purpose of securing loans of funds to be used for financing the acquisition, design, construction, renovation or reconstruction of the Improvements and any other expenditures reasonably necessary and appropriate to acquire, own, develop, construct, renovate, or reconstruct the Improvements under this Ground Lease and in connection with the operation of the Improvements, and costs and expenses incurred or to be incurred by Tenant in furtherance of the purposes of this Ground Lease. The City hereby acknowledges and accepts Silicon Valley Bank as a Lender, and consents to the Leasehold Mortgage associated with Silicon Valley Bank's construction loan to Tenant for the Project.

25.02 Holder Not Obligated to Construct

The holder of any mortgage, deed of trust or other security interest authorized by Section 25.01 ("Holder" or "Lender"), including the successors or assigns of such Holder, is not obligated to complete any construction of the Improvements or to guarantee such completion; nor shall any covenant or any other provision of this Ground Lease be construed so to obligate such Holder. However, in the event the Holder does undertake to complete or guarantee the completion of the construction of the Improvements, subject to Section 26.06(ii), nothing in this Ground Lease shall be deemed or construed to permit or authorize any such Holder or its successors or assigns to devote the Site or any portion thereof to any uses, or to construct any Improvements thereon, other than those uses or Improvements authorized under Section 9.02 subject to any reasonable

modifications in plans proposed by any Holder or its successors in interest proposed for the viability of the Project, subject to the approval of City which approval shall not be unreasonably withheld. To the extent any Holder or its successors in interest wish to change such uses or construct different improvements, subject to Section 26.06(ii), that Holder or its successors in interest must obtain the written consent of the City.

25.03 Failure of Holder to Complete Construction

In any case where six months after assumption of obligations pursuant to Section 25.02 above, a Holder, having first exercised its option to complete the construction, has not proceeded diligently with completion of the construction, the City shall be afforded the rights against such Holder it would otherwise have against Tenant under this Ground Lease for events or failures occurring after such assumption; provided, however, if Lender has proceeded diligently with construction, the Schedule of Performance shall not apply to Lender if such Schedule of Performance has been replaced by the new Schedule of Performance pursuant to Section 10.15 of this Agreement, which new Schedule of Performance will apply to Lender.

25.04 Default by Tenant and City's Rights

25.04(a) Right of City to Cure a Default or Breach by Tenant under a Leasehold Mortgage

In the event of a default or breach by Tenant in or of its obligations under any Leasehold Mortgage, and Tenant's failure to timely commence or diligently prosecute cure of such default or breach, the City may, at its option, cure such breach or default at any time prior to one hundred ten (110) days after the date on which the Lender files a notice of default. In such event, the City shall be entitled to reimbursement from Tenant of all costs and expenses reasonably incurred by the City in curing the default or breach. The City shall also be entitled to

a lien upon the Leasehold Estate or any portion thereof to the extent of such costs and disbursements that are not reimbursed by Tenant. Any such lien shall be subject to the lien of any then existing Leasehold Mortgage authorized by this Ground Lease, including any lien contemplated because of advances yet to be made. After ninety (90) days following the date of Lender filing a notice of default, the City shall also have the right to assign Tenant's interest in the Ground Lease to another entity, subject to such Lender's and Permitted Limited Partner's written consent, but which may be conditioned, among other things, upon the assumption by such other entity of all obligations of the Tenant under the Leasehold Mortgage.

25.04(b) Notice of Default to City

Tenant shall use its best efforts to require Lender to give the City prompt written notice of any such default or breach and each Leasehold Mortgage shall so provide and shall also contain the City's right to cure as above set forth.

25.05 Cost of Mortgage Loans to be Paid by Tenant

Tenant covenants and affirms that it shall bear all of the costs and expenses in connection with (i) the preparation and securing of any Leasehold Mortgage, (ii) the delivery of any instruments and documents and their filing and recording, if required, and (iii) all taxes and charges payable in connection with any Leasehold Mortgage.

ARTICLE 26: PROTECTION OF LENDER

26.01 Notification to City

Promptly upon the creation of any Leasehold Mortgage and as a condition precedent to the existence of any of the rights set forth in this Article 26, each Lender shall give written notice to the City of the Lender's address and of the existence and nature of its Leasehold Mortgage.

Execution of Attachment 4 shall constitute City's acknowledgement of Lender's having given such notice as is required to obtain the rights and protections of a Lender under this Ground Lease. The City hereby acknowledges that the First Mortgage Lender and the City are deemed to have given such written Notice.

26.02 Lender's Rights to Prevent Termination

Each Lender shall have the right, but not the obligation, at any time prior to termination of this Ground Lease and without payment of any penalty other than the interest on unpaid rent, to pay all of the rents due hereunder, to effect any insurance, to pay any taxes and assessments, to make any repairs and improvements, to do any other act or thing required of Tenant 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 to prevent a termination of this Ground Lease to the same effect as if the same had been made, done and performed by Tenant instead of by Lender.

26.03 Lender's Rights When Tenant Defaults

Should any event of default under this Ground Lease occur and is continuing, and not be cured within the applicable cure period, the City shall not terminate this Ground Lease nor exercise any other remedy hereunder unless it first gives written notice of such event of default to Lender and

(i) If such event of default is a failure to pay a monetary obligation of Tenant, Lender shall have failed to cure such default within sixty (60) days from the date of written notice from the City to Lender; or

(ii) If such event of default is not a failure to pay a monetary obligation of Tenant, Lender shall have failed, within sixty (60) days of receipt of said written notice, either (a) to

remedy such default; or (b) to obtain title to Tenant's interest in the Site in lieu of foreclosure; or (c) to commence foreclosure or other appropriate proceedings in the nature thereof (including the appointment of a receiver) and thereafter diligently prosecute such proceedings to completion, in which case such event of default shall be remedied or deemed remedied in accordance with Article 26.04 below.

All rights of the City to terminate this Ground Lease as the result of the occurrence of any such event of default shall be subject to, and conditioned upon, the City having first given Lender written notice of such event of default and Lender having failed to remedy such default or acquire Tenant's Leasehold Estate created hereby or commence foreclosure or other appropriate proceedings in the nature thereof as set forth in and within the time specified by this Section 26.03, and upon the Permitted Limited Partners having failed to proceed as permitted under Sections 19.02(b) or 26.06(iv).

26.04 Default Which Cannot be Remedied by Lender

Any event of default under this Ground Lease which in the nature thereof cannot be remedied by Lender shall be deemed to be remedied if (i) within sixty (60) days after receiving notice from the City setting forth the nature of such event of default, or prior thereto, Lender shall have acquired Tenant's Leasehold Estate created hereby or shall have commenced foreclosure or other appropriate proceedings in the nature thereof, (ii) Lender shall diligently prosecute any such proceedings to completion, (iii) Lender shall have fully cured any event of default arising from failure to pay or perform any monetary obligation in accordance with the terms of this Ground Lease, and (iv) after gaining possession of the Improvements, Lender shall diligently proceed to perform all other obligations of Tenant as and when the same are due in accordance with the terms of this Ground Lease.

26.05 Court Action Preventing Lender's Action

If Lender is prohibited by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Tenant from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof, the times specified in Sections 26.03 and 26.04 above for commencing or prosecuting such foreclosure or other proceedings shall be extended for the period of such prohibition. If this Ground Lease is terminated or rejected by Tenant in bankruptcy, the City agrees to enter into a new ground lease with the Lender on the same terms set forth in this Ground Lease.

26.06 Lender's Rights to Record, Foreclose and Assign

The City hereby agrees with respect to any Leasehold Mortgage, that

(i) the Lender may cause same to be recorded and enforced, and upon foreclosure, sell and assign the Leasehold Estate created hereby to an assignee from whom it may accept a purchase price; subject, however, to Lender's first securing written approval from City, which approval shall not be unreasonably withheld, and if the Subsequent Owner has elected to maintain the use restrictions of Article 9, said Subsequent Owner shall be controlled by a California nonprofit public benefit corporation exempt from tax under Section 501(c)(3) of the Internal Revenue Code such that the Premises receive an exemption from state property taxes as provided under Section 214 of the California Revenue and Taxation Code. Lender, furthermore, may acquire title to the Leasehold Estate in any lawful way, and if the Lender shall become the assignee, may sell and assign said Leasehold Estate subject to City approval, which shall not be unreasonably withheld, and to the City's rights under Article 25; and

(ii) each Subsequent Owner shall take said Leasehold Estate subject to all of the provisions of this Ground Lease, and shall, so long as and only so long as it shall be the owner of such estate, except as provided elsewhere in this Ground Lease, assume all of the obligations of Tenant under this Ground Lease; provided, however, that, subject to the rent provisions of Section 26.07 below, the Subsequent Owner may operate and maintain the seventy four (74) Residential Units without any limitations on the rents charged or the income of the occupants thereof.

(iii) the City shall mail or deliver to any Lender which has an outstanding Leasehold Mortgage a duplicate copy of all notices which the City may from time to time give to Tenant pursuant to this Ground Lease.

(iv) any Permitted Limited Partners of Tenant shall have the same rights as any Lender under Sections 26.02, 26.03, and 26.06 (iii), and any reference to a Lender in said section shall be deemed to include such limited partners; provided, however, that the rights of such limited partners shall be subordinate to the rights of any Lender.

26.07 Ground Lease Rent After Lender Foreclosure or Assignment

From and after the time that the Subsequent Owner acquires title to the Leasehold Estate, Annual Rent shall be set as follows:

(a) Any accrued Annual Rent at the time of foreclosure shall be forgiven by the City, and shall not remain an obligation of the Lender, its assignee, or the Subsequent Owner.

Subsequent to foreclosure or assignment of the Leasehold Estate to the Lender in lieu of foreclosure, if the Lender continues to operate the Project subject to the use and occupancy restrictions of Section 9.02, then Annual Rent otherwise due may, at the option of the Lender, be deferred until the date of the Lender's sale or assignment of the Project to a Subsequent Owner or the date that is sixty (60) days after Lender ceases to operate the Project in accordance with such

restrictions. All deferred Annual Rent shall accrue, with simple interest at six percent (6%) per annum until paid.

(b) If the Subsequent Owner exercises its rights under Section 26.06(ii) to operate the Project without being subject to Section 9.02, Annual Rent shall be set at the then fair market rental value taking into account any affordability restrictions agreed to by the Subsequent Owner, if any, and the Base Rent shall be increased to the new fair market rent pursuant to Section 26.07(b) and the provisions of Section 6.02(g) shall be suspended; provided, however, that the City shall be entitled to reduce Annual Rent by any dollar amount (but not below zero) in its sole discretion and, in such case, the Subsequent Owner will be required to reduce rent charged to tenants on a dollar for dollar basis, with respect to such aggregate units occupied by Very Low Income Households as the City and the Subsequent Owner shall agree. The fair market rental value shall be determined by a jointly-commissioned appraisal (instructions prepared jointly by the Subsequent Owner and the City, with each party paying one half of the appraiser's fee) that will include a market land valuation, as well as a market land lease rent level. Absent a market land lease rent determination, the Annual Rent will be set at an amount equal to ten percent (10%) of the then appraised market land value. If the parties cannot agree on the joint appraisal instructions, either party may invoke a neutral third-party process to set the Annual Rent at fair market rent in accordance with the then-prevailing practice for resolving similar rent determination disputes in San Francisco or, in the event that there is no then-prevailing practice, in accordance with the rules of the American Arbitration Association. Provided, however, that after the neutral third party process, the Lender, in its sole discretion may rescind its written notification of intent to not comply with Section 9.02 of this Ground Lease.

26.08 Permitted Uses After Lender Foreclosure

Notwithstanding the above, in the event of a foreclosure and transfer to a Subsequent Owner, the Premises shall be operated in accordance with the uses specified in the building permit with all addenda, as approved by the City's Department of Building Inspection.

26.09 Preservation of Leasehold Benefits

Until such time as a Lender notifies the City in writing that the obligations of the Tenant under its loan documents have been satisfied, the City agrees:

(a) That the City shall not voluntarily cancel or surrender this Ground Lease, or accept a voluntary cancellation or surrender of this Ground Lease by Tenant, or materially amend this Ground Lease to increase the obligations of the Tenant or the rights of the City thereunder, without the prior written consent of the Lender (which will not be unreasonably withheld or delayed);

(b) That the City shall not enforce against a Lender any waiver or election made by the Tenant under this Ground Lease which has a material adverse effect on the value of the Leasehold Estate under this Ground Lease without the prior written consent of the Lender (which will not be unreasonably withheld or delayed);

(c) That, if a Lender makes written request for the same within 15 days after Lender receives written notice of termination of this Ground Lease, the City will enter a new lease with such Lender commencing on the date of termination of the Ground Lease and ending on the normal expiration date of the Ground Lease, on substantially the same terms and conditions as the Ground Lease and subject to the rent provisions set forth in Section 26.07, and with the same priority as against any subleases or other interests in the Premises; provided that such Lender cures all unpaid monetary defaults under the Ground Lease through the date of such termination;

(d) That the City shall provide reasonable prior notice to each Lender of any proceedings for adjustment or adjudication of any insurance or condemnation claim involving the Premises and will permit each Lender to participate therein as an interested party.

26.10 No Merger

The Leasehold Estate in the Premises pursuant to this Ground Lease shall not merge with the fee interest in the Premises, notwithstanding ownership of the leasehold and the fee by the same person, without the prior written consent of each Lender.

26.11 City Bankruptcy

(a) If a bankruptcy proceeding is filed by or against the City, the City shall immediately notify each Lender of such filing and shall deliver a copy of all notices, pleadings, schedules, and similar materials regarding the bankruptcy proceedings to each Lender.

(b) The City acknowledges that (i) the Tenant seeks to construct improvements on the Premises using proceeds of the loans provided by the Lenders, and (ii) it would be unfair to both the Tenant and the Lenders to sell the Premises free and clear of the leasehold. Therefore, the City waives its right to sell the City's fee interest in the Premises pursuant to section 363(f) of the Bankruptcy Code, free and clear of the leasehold interest under this Ground Lease.

(c) If a bankruptcy proceeding is filed by or on behalf of the City, the City agrees as follows: (i) the Tenant shall be presumed to have objected to any attempt by the City to sell the fee interest free and clear of the leasehold under this Ground Lease; (ii) if Tenant does not so object, each Lender shall have the right to so object on its own behalf or on behalf of the Tenant; and (iii) in connection with any such sale, the Tenant shall not be deemed to have received adequate protection under section 363(e) of the Bankruptcy Code, unless it shall have received and paid over to each Lender outstanding balance of the obligations under its respective loan.

(d) City recognizes that the Lenders are authorized on behalf of the Tenant to vote, participate in or consent to any bankruptcy, insolvency, receivership or court proceeding concerning the leasehold interest under this Ground Lease.

ARTICLE 27: CONDEMNATION AND TAKINGS

27.01 Parties' Rights and Obligations to be Governed by Agreement

If, during the term of this Ground Lease, there is any condemnation of all or any part of the Site or any interest in the Leasehold Estate is taken by condemnation, the rights and obligations of the parties shall be determined pursuant to this Article 27, subject to the rights of any Lender.

27.02 Total Taking

If the Site is totally taken by condemnation, this Ground Lease shall terminate on the date the condemnor has the right to possession of the Site.

27.03 Partial Taking

If any portion of the Site is taken by condemnation, this Ground Lease shall remain in effect, except that Tenant may, with Lender's written consent, which consent shall not be unreasonably withheld, conditioned or delayed, elect to terminate this Ground Lease if, in Tenant's reasonable judgment, the remaining portion of the Improvements is rendered unsuitable for Tenant's continued use of the Site. If Tenant elects to terminate this Ground Lease, Tenant must exercise its right to terminate pursuant to this paragraph by giving notice to the City within thirty (30) days after the City notifies Tenant of the nature and the extent of the taking. If Tenant elects to terminate this Ground Lease as provided in this Section 27.03, Tenant also shall notify the City of the date of termination, which date shall not be earlier than thirty (30) days nor later

than six (6) months after Tenant has notified the City of its election to terminate; except that this Ground Lease shall terminate on the date the condemnor has the right to possession of the Site if such date falls on a date before the date of termination as designated by Tenant. If Tenant does not terminate this Ground Lease within such thirty (30) day notice period, this Ground Lease shall continue in full force and effect.

27.04 Effect on Rent

If any portion of the Improvements is taken by condemnation and this Ground Lease remains in full force and effect, then on the date of taking the rent shall be reduced by an amount that is in the same ratio to the rent as the value of the area of the portion of the Improvements taken bears to the total value of the Improvements immediately before the date of the taking.

27.05 Restoration of Improvements

If there is a partial taking of the Improvements and this Ground Lease remains in full force and effect pursuant to Section 27.03, Tenant may, subject to the terms of the Leasehold Mortgage, use the proceeds of the taking to accomplish all necessary restoration to the Improvements.

27.06 Award and Distribution

Any compensation awarded, paid or received on a total or partial condemnation of the Site or threat of condemnation of the Site shall belong to and be distributed in the following order:

(a) First, to pay the balance due on any outstanding Leasehold Mortgages and other outstanding or unpaid obligations and/or liabilities, including but not limited to, trade accounts, taxes, payroll accruals and lease residuals, to the extent provided therein; and

(b) Second, to the Tenant in an amount equal to the actual equity invested by the Tenant.

27.07 Payment to Lenders

In the event the Improvements are subject to the lien of a Leasehold Mortgage on the date when any compensation resulting from a condemnation or threatened condemnation is to be paid to Tenant, such award shall be disposed of as provided in the Loan Documents of the Leasehold Mortgage.

ARTICLE 28: ESTOPPEL CERTIFICATE

The City or Tenant, as the case may be, shall execute, acknowledge and deliver to the other and/or to Lender or a Permitted Limited Partner, promptly upon request, its certificate certifying (a) that this Ground Lease is unmodified and in full force and effect (or, if there have been modifications, that this Ground Lease is in full force and effect, as modified, and stating the modifications), (b) the dates, if any, to which rent has been paid, (c) whether there are then existing any charges, offsets or defenses against the enforcement by the City or Tenant to be performed or observed and, if so, specifying the same, and (d) whether there are then existing any defaults by Tenant or the City in the performance or observance by Tenant or the City of any agreement, covenant or condition hereof on the part of Tenant or the City to be performed or observed and whether any notice has been given to Tenant or the City of any default which has not been cured and, if so, specifying the same.

ARTICLE 29: QUITCLAIM

Upon expiration or sooner termination of this Ground Lease, Tenant shall surrender the Site to the City and, at the City's request, shall execute, acknowledge, and deliver to the City a good and sufficient quitclaim deed with respect to any interest of Tenant in the Site. Title to the Improvements shall vest automatically in the City as provided in Article 13 herein.

ARTICLE 30: EQUAL OPPORTUNITY

In the selection of all contractors and professional consultants for the Project, Tenant must

comply with the City's procurement requirements and procedures as described in the MOH Contracting Manual and with the requirements of Chapter 14B of the San Francisco Administrative Code ("LBE Ordinance") according to the procedures established by the City's Human Rights Commission. The Project is subject to the requirements of Section 3 of the Housing and Community Development Act of 1968 and of the San Francisco Section 3 program. Federal Section 3 requirements state that contracts and opportunities for job training and employment be given, to the greatest extent feasible, to local low-income residents. Local residents for this project are San Francisco residents. In addition, this project will be required to comply with hiring requirements as incorporated into the local Section 3 program and in conjunction with the City's low-income hiring requirements pursuant to San Francisco's First Source Hiring Ordinance (San Francisco Administrative Code Chapter 83). The goals for hiring of Section 3-eligible workers on the project will be 30% of new hires, moving towards a goal of 30% of total work hours. The Contractor shall also make a best faith effort to meet these goals.

ARTICLE 31: CERTIFICATE OF PREFERENCE PROGRAM

Tenant agrees to comply with the requirements of the Agency's Certificate of Preference Program, as it may be amended from time to time, and as set forth on Attachment 5.

ARTICLE 32: LABOR STANDARDS PROVISIONS

Although the Parties acknowledge that the development of the Project is a private work of improvement, Tenant that any person performing labor in the construction of the Project and any Change to the Premises, which Tenant provides under this Ground Lease, shall be paid not less than the highest prevailing rate of wages as required by Section 6.22(E) of the San Francisco Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco,

California. Tenant shall include in any contract for construction of the Project and Change a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Tenant shall require any contractor to provide, and shall deliver to City upon request, certified payroll reports with respect to all persons performing labor in the construction of the Project or any Change to the Premises..**ARTICLE 33:**

INTENTIONALLY OMITTED

ARTICLE 34: INTENTIONALLY OMITTED

ARTICLE 35: NO PERSONAL LIABILITY

No commissioner, official, or employee of the City shall be personally liable to Tenant or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Tenant or its successors or on any obligations under the terms of this Ground Lease.

ARTICLE 36: ENERGY CONSERVATION

Tenant agrees that it will use its best efforts to maximize provision of, and incorporation of, both energy conservation techniques and systems and improved waste-handling methodology in the construction of the Improvements.

ARTICLE 37: WAIVER

The waiver by the City or Tenant of any term, covenant, agreement or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, agreement or condition herein contained, nor shall any custom or practice which may grow up between the parties in the administration of the terms hereof be construed to waive or to lessen the right of the City or Tenant to insist upon the performance by the other in strict accordance with the said terms. The subsequent acceptance of rent or any other sum of money

hereunder by the City shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, agreement or condition of this Ground Lease, other than the failure of Tenant to pay the particular rent or other sum so accepted, regardless of the City's knowledge of such preceding breach at the time of acceptance of such rent or other sum.

ARTICLE 38: TENANT RECORDS

Upon reasonable notice during normal business hours, and as often as the City may deem necessary, there shall be made available to the City and its authorized representatives for examination all records, reports, data and information made or kept by Tenant regarding its activities or operations on the Site. Nothing contained herein shall entitle the City to inspect personal histories of residents or lists of donors or supporters. To the extent that it is permitted by law to do so, the City will respect the confidentiality requirements of Tenant in regard to the lists furnished by Tenant pursuant to Article 7 hereof, of the names of occupants of the residential portion of the Site.

ARTICLE 39: NOTICES AND CONSENTS

All notices, demands, consents or approvals which may be or are required to be given by either party to the other hereunder shall be in writing and shall be deemed to have been fully given when delivered in person to such representatives of Tenant and the City as shall from time to time be designated by the parties for the receipt of notices, or when deposited in the United States mail, certified, postage prepaid, or by express delivery service with a delivery receipt and addressed

if to Tenant at: Broadway Sansome Associates, L.P.
c/o Chinatown Community Development Center
1525 Grant Avenue
San Francisco, CA 94133
Facsimile: (415) 984-1450
Telephone: (415) 362-7992

Attn: Executive Director

With a copy to

if to City at: Mayor's Office of Housing
One South Van Ness Ave, 5th Floor
San Francisco, California 94103
Attn.: Director

And to Tenant's Permitted
Limited Partner at: Raymond James California Housing Opportunities Fund, II,
LLC
c/o Raymond James Tax Credit Funds, Inc.
880 Carillon Parkway
St. Petersburg, Florida 33716
Facsimile: (727) 567-8455
Attn: Steve Kropf, President

or to such other address with respect to either party as that party may from time to time designate by notice to the other given pursuant to the provisions of this Article 39. Any notice given pursuant to this Article 39 shall be effective on the date of delivery or the date delivery is refused as shown on the delivery receipt.

ARTICLE 40: COMPLETE AGREEMENT

There are no oral agreements between Tenant and the City affecting this Ground Lease, and this Ground Lease supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings between Tenant and the City with respect to the lease of the Site.

ARTICLE 41: HEADINGS

Any titles of the several parts and sections of this Ground Lease are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions. "Paragraph" and "section" may be used interchangeably.

ARTICLE 42: SUCCESSORS AND ASSIGNS

This Ground Lease shall be binding upon and inure to the benefit of the successors and assigns of the City and Tenant and where the term "Tenant" or "City" is used in this Ground Lease, it shall mean and include their respective successors and assigns; provided, however, that the City shall have no obligation under this Ground Lease to, nor shall any benefit of this Ground Lease accrue to, any unapproved successor or assign of Tenant where City approval of a successor or assign is required by this Ground Lease. At such time as City sells the Site to any third party, City shall require such third party to assume all of City's obligations hereunder arising on and after the transfer in writing for the benefit of Tenant and its successors and assigns.

ARTICLE 43: TIME

Time is of the essence in the enforcement of the terms and conditions of this Ground Lease.

ARTICLE 44: PARTIAL INVALIDITY

If any provisions of this Ground Lease shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of this Ground Lease and all such other provisions shall remain in full force and effect.

ARTICLE 45: APPLICABLE LAW

This Ground Lease shall be governed by and construed pursuant to the laws of the State of California.

ARTICLE 46: ATTORNEYS' FEES

If either of the parties hereto commences a lawsuit to enforce any of the terms of this Ground Lease, the prevailing party will have the right to recover its reasonable attorneys' fees and costs of suit, including fees and costs on appeal, from the other party.

ARTICLE 47: EXECUTION IN COUNTERPARTS

This Ground Lease and any memorandum hereof may be executed in counterparts, each of which shall be considered an original, and all of which shall constitute one and the same instrument.

ARTICLE 48: RECORDATION OF MEMORANDUM OF GROUND LEASE

This Ground Lease shall not be recorded, but a memorandum of this Ground Lease shall be recorded in the form attached hereto as Attachment 6. The parties shall execute the memorandum in form and substance as required by a title insurance company insuring Tenant's leasehold estate or the interest of any Leasehold Mortgagee, and sufficient to give constructive notice of the Ground Lease to subsequent purchasers and mortgagees.

ARTICLE 49: TRANSFER OF PARTNERSHIP INTERESTS IN TENANT

Neither the transfer of any limited partner of Tenant (a "Limited Partner") interests in the Tenant or the admission of a successor limited partner or partners pursuant to the terms of the Partnership Agreement shall constitute an event of default under the Lease nor require the City's consent.

The withdrawal or removal of a general partner of the Tenant pursuant to the terms of the Partnership Agreement shall not require City consent, and shall not constitute a default under the Lease provided that any replacement general partner shall require the consent of the City which consent shall not be unreasonably withheld, conditioned or delayed.

ARTICLE 50: CITY PROVISIONS

50.1 Non-Discrimination.

(a) Covenant Not to Discriminate. In the performance of this Ground Lease, Tenant covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with Tenant, in any of Tenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Tenant.

(b) Subleases and Other Subcontracts. Tenant shall include in all Subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to such subtenant or other subcontractor in substantially the form of Subsection (a) above. In addition, Tenant shall incorporate by reference in all subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subtenants and other subcontractors to comply with such provisions. Tenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Ground Lease.

(c) Non-Discrimination in Benefits. Tenant does not as of the date of this Ground Lease and will not during the Term, in any of its operations in San Francisco or with respect to its operations under this Ground Lease 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 (collectively “Core Benefits”), as well as any benefits other than Core Benefits, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) Condition to Lease. As a condition to this Ground Lease, Tenant shall execute the “Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits” (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

(e) 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 lease of City property are incorporated in this Section by reference and made a part of this Ground Lease as though fully set forth herein. Tenant shall comply fully with and be bound by all of the provisions that apply to this Ground Lease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Tenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Lease may be assessed against Tenant and/or deducted from any payments due Tenant.

50.2 MacBride Principles – Northern Ireland. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco

Administrative Code Section 12F.1 et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Tenant acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

50.3 Conflicts of Interest. Tenant states that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, certifies that it knows of no facts which would constitute a violation of such provisions and agrees that if Tenant becomes aware of any such fact during the term of this Lease Tenant shall immediately notify the City. Tenant further certifies that it has made a complete disclosure to the City of all facts bearing on any possible interests, direct or indirect, which Tenant believes any officer or employee of the City presently has or will have in this Lease or in the performance thereof or in any portion of the profits thereof. Willful failure by Tenant to make such disclosure, if any, shall constitute grounds for City's termination and cancellation of this Ground Lease.

50.4 Charter Provisions. This Ground Lease is governed by and subject to the provisions of the Charter of the City and County of San Francisco. Accordingly, Tenant acknowledges and agrees that no officer or employee of the City has authority to commit the City to this Ground Lease unless and until an resolution of the City's Board of Supervisors has been duly enacted approving this Ground Lease. Therefore, any obligations or liabilities of the City under this Ground Lease are contingent upon enactment of an resolution, and this Ground Lease will be null and void unless the City's Mayor and the Board of Supervisors approve this Ground Lease, in their respective sole and absolute discretion, and in accordance with all applicable Laws.

Approval of this Ground Lease by any City department, commission or agency may not be deemed to imply that an resolution will be enacted or create any binding obligations on the City.

50.5 Tropical Hardwood/Virgin Redwood Ban. Pursuant to Section 804(b) of the San Francisco Environment Code, 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 permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code, Tenant shall not use any items in the rehabilitation, development or operation of the Premises or otherwise in the performance of this Lease which are tropical hardwoods, tropical hardwood wood products, virgin redwood or virgin redwood wood products.

50.6 Tobacco Product Advertising Ban. Tenant acknowledges and agrees that no advertising of cigarettes or tobacco products may be allowed on the Premises. The foregoing prohibition will include the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product, or on any sign. The foregoing prohibition will not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

50.7 Pesticide Ordinance. Tenant shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which (i) prohibit the use of certain pesticides on City property, (ii) require the posting of certain notices and the maintenance of certain records regarding pesticide usage, and (iii) require Tenant to submit to the City's Department of the Environment an integrated pest management ("IPM") plan that (A) lists,

to the extent reasonably possible, the types and estimated quantities of pesticides that Tenant may need to apply to the Premises during the Term of this Ground Lease, (b) describes the steps Tenant will take to meet the City's IPM Policy described in Section 39.1 of the Pesticide Ordinance, and (c) identifies, by name, title, address and telephone number, an individual to act as the Tenant's primary IPM contact person with City. In addition, Tenant shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance. Nothing herein shall prevent Tenant, acting through the City, from seeking a determination from the City's Commission on the Environment that Tenant is exempt from complying with certain portions of the Pesticide Ordinance as provided in Section 307 thereof.

50.8 Compliance with City's Sunshine Ordinance . Tenant understands and agrees that under the City's Sunshine Ordinance (S.F. Admin. Code, Chapter 67) and the State Public Records Law (Cal. Gov. Code §§ 6250 et seq.), this Agreement and any and all records, information and materials submitted to the City hereunder are public records subject to public disclosure. Tenant hereby authorizes the City to disclose any records, information and materials submitted to the City in connection with this Ground Lease as required by Law. Further, Tenant specifically agrees to conduct any meeting of its governing board that addresses any matter relating to the Project or to Tenant's performance under this Ground Lease as a passive meeting.

50.9 Notification of Limitations on Contributions. Through its execution of this Ground Lease, Tenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the selling or leasing any land or building to or from the City whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the

commencement of negotiations for such contract until the termination of negotiations for such contract or three (3) months has elapsed from the date the contract is approved by the City elective officer, or the board on which that City elective officer serves.

50.10 Requiring Health Benefits for Covered Employees. Unless exempt, Tenant agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (the "HCAO"), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated in this Ground Lease by reference and made a part of this Ground Lease as though fully set forth. The text of the HCAO is available on the web at www.sfgov.org/oca/lwlh.htm. Capitalized terms used in this Section and not defined in this Lease have the meanings assigned to them in Chapter 12Q. Notwithstanding this requirement, City recognizes that the residential housing component of the Improvements is not subject to the HCAO.

(a) For each Covered Employee, Tenant must provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Tenant chooses to offer the health plan option, the health plan must meet the minimum standards set forth by the San Francisco Health Commission.

(b) If Tenant is a small business as defined in Section 12Q.3(d) of the HCAO, Tenant will have no obligation to comply with Subsection (a) above.

(c) Tenant's failure to comply with the HCAO will constitute a material breach of this Lease. If Tenant fails to cure its breach within thirty (30) days after receiving the City's written notice of a breach of this Lease for violating the HCAO or, if the breach cannot reasonably be cured within the 30-day period, Tenant fails to commence efforts to cure within the

30-day period, or thereafter fails diligently to pursue the cure to completion, the City will have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies will be exercisable individually or in combination with any other rights or remedies available to the City.

(d) Any sublease entered into by Tenant for commercial space in the Project must require the subtenant to comply with the requirements of the HCAO and must contain contractual obligations substantially the same as those set forth in this Section. Tenant must notify the City's Purchasing Department when Tenant enters into a sublease and must certify to the Purchasing Department that Tenant has notified the subtenant of the obligations under the HCAO and has imposed the requirements of the HCAO on subtenant through the sublease. Tenant will be responsible for its subtenants' compliance with this Chapter. If a subtenant fails to comply, the City may pursue the remedies set forth in this Section against Tenant based on the subtenant's failure to comply, provided that City has first provided Tenant with notice and an opportunity to obtain a cure of the violation.

(e) Tenant may not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying the City with regard to Tenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) Tenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) Tenant must keep itself informed of the current requirements of the HCAO.

(h) Tenant must provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on subtenants, as applicable.

(i) Tenant must provide City with access to records pertaining to compliance with HCAO after receiving a written request from the City to do so and being provided at least five (5) business days to respond.

(j) The City may conduct random audits of Tenant to ascertain its compliance with HCAO. Tenant agrees to cooperate with the City when it conducts audits.

(k) If Tenant is exempt from the HCAO when this Lease is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Tenant later enters into an agreement or agreements that cause Tenant's aggregate amount of all agreements with the City to reach \$75,000, all the agreements will be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Tenant and MOH to be equal to or greater than \$75,000 in the fiscal year.

50.11 Public Access to Meetings and Records. If Tenant receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Tenant shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Ground Lease, Tenant agrees to open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the Administrative Code. Tenant further agrees to make good-faith efforts to promote community membership on its Board of Directors in the manner set forth in Section 12L.6 of the Administrative Code. Tenant acknowledges that its material failure

to comply with any of the provisions of this paragraph shall constitute a material breach of this Ground Lease. Tenant further acknowledges that such material breach of the Lease shall be grounds for City to terminate and/or not renew this Ground Lease, partially or in its entirety.

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

50.13 Drug Free Work Place. Tenant acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession or use of a controlled substance is prohibited on City premises. Tenant agrees that any violation of this prohibition by Tenant, its Agents or assigns shall be deemed a material breach of this Ground Lease.

50.14 Preservative Treated Wood Containing Arsenic. Tenant may not purchase preservative-treated wood products containing arsenic in the performance of this Ground Lease unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Tenant may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Tenant from purchasing

preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

50.15 Nondisclosure of Private Information. Tenant agrees to comply fully with and be bound by all of the provisions of Chapter 12M of the San Francisco Administrative Code (the "Nondisclosure of Private Information Ordinance"), including the remedies provided. The provisions of the Nondisclosure of Private Information Ordinance are incorporated herein by reference and made a part of this Agreement as though fully set forth. Capitalized terms used in this section and not defined in this Agreement shall have the meanings assigned to such terms in the Nondisclosure of Private Information Ordinance. Consistent with the requirements of the Nondisclosure of Private Information Ordinance, Contractor agrees to all of the following:

- (a) Neither Tenant nor any of its subcontractors shall disclose Private Information, unless one of the following is true:
 - (i) The disclosure is authorized by this Ground Lease;
 - (ii) Tenant received advance written approval from the Contracting Department to disclose the information; or
 - (iii) The disclosure is required by law or judicial order.
- (b) Any disclosure or use of Private Information authorized by this Ground Lease shall be in accordance with any conditions or restrictions stated in this Ground Lease. Any disclosure or use of Private Information authorized by a Contracting Department shall be in accordance with any conditions or restrictions stated in the approval.
- (c) Private Information shall mean any information that: (1) could be used to identify an individual, including without limitation, name, address, social security number,

medical information, financial information, date and location of birth, and names of relatives; or
(2) the law forbids any person from disclosing.

(d) Any failure of Tenant to comply with the Nondisclosure of Private Information Ordinance shall be a material breach of this Ground Lease. In such an event, in addition to any other remedies available to it under equity or law, City may terminate this Ground Lease, debar Tenant, or bring a false claim action against Tenant.

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

Tenant shall remove all graffiti from the Premises and any real property owned or leased by Tenant in the City and County of San Francisco within forty eight (48) hours of the earlier of Tenant's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require Tenant to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement,

whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction Premises, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.). Any failure of Tenant to comply with this section of this Ground Lease shall constitute an event of default of this Ground Lease.

50.17 Incorporation. Each and every provision of the San Francisco Administrative Code described or referenced in this Ground Lease is hereby incorporated by reference as though fully set forth herein. Failure of Tenant to comply with any provision of this Ground Lease relating to any such code provision shall be governed by Article 19 of this Ground Lease, unless (i) such failure is otherwise specifically addressed in this Ground Lease or (ii) such failure is specifically addressed by the applicable code section.

50.18 Food Service Waste Reduction. Tenant agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided therein, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Ground Lease as though fully set forth herein. This provision is a material term of this Ground Lease. By entering into this Ground Lease, Tenant agrees that if it

breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine. Without limiting City's other rights and remedies, Tenant agrees that the sum of One Hundred Dollars (\$100.00) liquidated damages for the first breach, Two Hundred Dollars (\$200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars (\$500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Ground Lease was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Tenant's failure to comply with this provision.

ARTICLE 51: ATTACHMENTS

The following are attached to this Ground Lease and by this reference made a part hereof:

1. Legal Description of Site
2. Scope of Development
3. Schedule of Performance
4. Operational Rules for Certificate Holders' Priority
5. Memorandum of Ground Lease
6. Income Certification Form

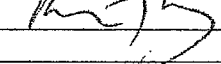
IN WITNESS WHEREOF, the Tenant and the City have executed this Ground Lease as of
the day and year first above written.

TENANT:

BROADWAY SANSOME ASSOCIATES, L.P.
a California limited partnership

By: Broadway Family Apartments LLC,
a California limited liability company,
its general partner

By: Chinatown Community Development Center Inc.,
a California nonprofit public benefit corporation,
its managing member

By: 
Its: _____

CITY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: **Olson Lee**
Director, Mayor's Office of Housing

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: **Evan Gross**
Deputy City Attorney

IN WITNESS WHEREOF, the Tenant and the City have executed this Ground Lease as of
the day and year first above written.

TENANT:

BROADWAY SANSOME ASSOCIATES, L.P.
a California limited partnership

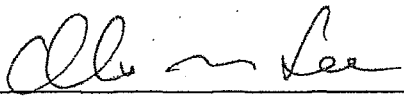
By: Broadway Family Apartments LLC,
a California limited liability company,
its general partner

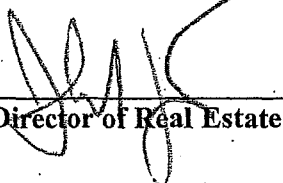
By: Chinatown Community Development Center Inc.,
a California nonprofit public benefit corporation,
its managing member

By: _____
Its: _____

CITY:


CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: 
Olson Lee, Director of Mayor's Office of Housing

By: 
John Updike, Director of Real Estate

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: 
Evan Gross
Deputy City Attorney

ATTACHMENT 1

Legal Description of the Site

All that certain real property located in the City and County of San Francisco, State of California, described as follows:

Beginning at the intersection of the Southerly line of Broadway and the Easterly line of Sansome Street; thence along said Southerly line, North 80° 54' 41" East, 275.54 feet to the intersection of said Southerly line and the Westerly line of Battery Street; thence along said Westerly line, South 9° 05' 19" East, 50.00 feet to the Northeast corner of that parcel described in document recorded April 17, 1956, in Volume 6827, Page 67, Official Records of the City and County of San Francisco; thence along the Northerly line of said Parcel, South 80° 54' 41" West, 70.00 feet to the Northwest corner of said Parcel; thence along the Westerly line of said Parcel, South 9° 05' 19" East, 20.00 feet to the Southerly line of said State Parcel 12933; thence along the Southerly line of said State Parcels 12933, 12934 and 12935, South 80° 54' 41" West, 107.58 feet; thence North 9° 05' 19" West, 1.25 feet; thence continuing along said Southerly line, South 80° 54' 41" West, 20.46 feet to the Southwest corner of said State Parcel 12935; thence leaving said Southerly line and along the Easterly line of said Parcel of the intersection of said Easterly line of that parcel of land known now or formerly as Stevens Alley, South 9° 05' 19" East, 1.25 feet to the intersection of said Easterly line and the Easterly prolongation of the Southerly line of said State Parcel 12936; thence along said Southerly line and Easterly prolongation thereof, South 80° 54' 41" West, 77.51 feet to the Easterly line of Sansome Street; thence along said Easterly line, North 9° 05' 19" West, 70.00 feet to the point of beginning.

APN: 0165-021

ATTACHMENT 2

Scope of Development

The Broadway-Sansome Apartments project is a mid-rise, mixed-use, 100% affordable residential development with retail uses (the "Project") on an approximately 17,850 square-foot, sloping site on Broadway between Sansome and Battery Streets. The eastern portion of the Project site is currently utilized as a commercial surface parking lot, and the western portion is vacant, undeveloped land.

The proposed new construction project consists of 75 units of affordable housing, including housing for formerly homeless families, and 2,902 square feet of ground level retail space. The development will also include supportive services spaces, an at-grade courtyard, and two common roof decks. Bicycle parking will be provided, but no off-street parking is proposed.

The building will be of wood-frame Type III construction, clad in cement plaster, over a concrete, Type I base. A number of sustainable design features will be incorporated, including energy conserving heating/cooling, insulation, lighting, and appliances; water conservation technology in units; indoor air quality enhancements; and recycled/renewable finishes.

The design of Broadway-Sansome Apartments addresses its block long site by responding to the neighborhood context at both the eastern and western ends of the site. From Battery Street and stretching two thirds of the way up the block is a horizontally configured loft-like bar with retail frontage on the Broadway/Battery corner. This simple element has a boldly colored three story middle section over the retail base with a two story glassy loggia above. Sunshades for the raking south and west sun help animate the surfaces of this element. The configuration of the western portion of the block responds to the quite different character and scale of buildings on Sansome Street. Unit plans with recessed bedrooms create deep notches in the building and small, vertically proportioned elements of similar scale to the context buildings on this end of the site. The Broadway/Sansome corner also has retail frontage and the Broadway frontage is animated by the building entrance. The interplay of two compositional strategies related to the surrounding buildings articulates and gives appropriate scale to the only full block frontage on this portion of Broadway.

ATTACHMENT 3

	Performance Milestone	Contractual Deadline
1.	Ground Lease Executed	<u>01/11</u>
2.	Design	
a.	Submittal of Schematic Design & Cost Estimate	<u>09/10</u>
3.	Permits	
a.	Building / Site Permit Application Submitted	<u>05/11</u>
4.	Construction	
a.	Notice to Proceed	<u>04/13</u>
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>12/14</u>
5.	Marketing/Rent-up	
a.	Marketing Plan Submission	<u>04/14</u>
b.	95% Occupancy	<u>2/15</u>

ATTACHMENT 4
OPERATIONAL RULES FOR
CERTIFICATE HOLDERS' PRIORITY

The Owner hereby agrees that priority for units designated for Low Income Households will be given to persons displaced or to be displaced from their homes by Agency redevelopment activities and who have been issued a form described as the "Certificate of Preference" ("Certificate Holder"), establishing a priority right to claim units outlined in the descending order of priority in paragraph D of this Attachment "4". Final acceptance or rejection of Certificate Holders lies with the Owner. The Owner shall notify the Agency and applicant in writing of the reason for rejection. In order to implement this Attachment "4":

A. The Agency agrees to furnish the following:

1. Written and/or printed notices to Certificate Holders advising them that such units will soon be available;
2. Assistance to Certificate Holders in filing applications; and
3. Verification to the Owner that applicant has been displaced.

B. The Owner agrees to the following:

1. To supply the Agency ninety (90) days prior to accepting lease applications with the information listed below. This information shall not be changed without providing the Agency with ten (10) days written notice.
 - a. A master unit list with the following information:
 - (1) Apartment number;
 - (2) Number of bedrooms and baths;
 - (3) Square footage; and
 - (4) Initial rent to be charged.
 - b. Estimated itemized cost of utilities and services to be paid by tenant by unit size.
 - c. Detailed description of Owner's rules for tenants, which must include:
 - (1) Minimum and maximum income
 - (2) Pet policy
 - (3) Selection process: To insure no discrimination against Low Income Households and Certificate Holders all criteria and the relative weight to be given to each criterion indicated. The Agency shall approve or disapprove the selection process criteria within ten (10) working days after submission thereof to the Agency.
 - (4) Amount of security deposit and all other fees, as well as refund policy regarding same.
 - (5) Occupancy requirements must be described in full and found reasonable by the Agency
 - (6) Duration of rental agreement or lease.
 - (7) Copy of rental agreement or lease.

- (8) The Owner's rules for tenants shall be acceptable for purposes of this sub-paragraph.
 - d. Amount of charge for processing applications, if any.
 - e. Description of application process and length of time needed by Owner.
 - f. Copy of rental application and copy of all forms to be used for income verification.
 - g. Periodic notification to the Agency of the Owner's office hours for accepting applications and showing model unit(s).
2. The Owner further agrees that some applicants who apply directly to the Owner may be entitled to priority because of previous displacement. The Owner will, therefore, ask the following questions on all applications for occupancy:

"Have you been displaced or do you expect to be displaced by the San Francisco Redevelopment Agency?"

If the applicant answers affirmatively, the address from which displacement occurred is required. Copies of all applications indicating that such displacement either has taken place or will take place must be forwarded to the Agency within five (5) working days of receipt of such application by the Owner. It is agreed that information received on the application will be considered confidential. The Agency will, in turn, determine within ten (10) working days which such applicants are then qualified or will qualify as Certificate Holders, and will establish current Certificate of Preference priority.

C. 1. During initial lease-up of Low Income Units, the Agency may supply the Owner with a "status report" listing names, addresses and certificate numbers of Certificate Holders for all open applications. The Owner will return the same form within five (5) working days, indicating:

- (1) status of each application as of that date, and
 - (2) in case of rejection for any cause, the exact reason thereof.
2. If material supplied in any application by a Certificate Holder indicates ineligibility on its face because of the Owner's rules and regulations, such applicant will be notified within one week, with a copy of the Agency. Any fee charged for processing such application will be refunded in full, notwithstanding, however, that such applicant shall be listed on status report showing application is closed and fee has been returned. If ineligibility can be determined only after a follow-up investigation, the applicant will be notified within one week after such determination is made, with a copy to the Agency. Any fee charged for processing such applications may be retained by the Owner. These applications will also appear on the status report.
 3. Within ten (10) working days after execution of a lease, the Owner will supply the Agency with a signed copy of the following for all Certificate Holder tenants:

- (1) signed copy of lease;
- (2) copy of complete application; and
- (3) copies of all verification forms used to ascertain income eligibility.

D. In order to expedite occupancy of housing units nearing completion, the Owner further agrees:

1. To select as prospective tenants eligible Certificate Holders who meet the occupancy requirements of the Owner. Selection will be based on the following descending order of priorities:
 - a. Families or individuals who reside on Agency property in redevelopment areas.
 - b. Families or individuals who were relocated from Agency property and still have a valid Certificate of Preference.
 - c. Families or individuals displaced by the Department of Health, Public Works, etc. and referred by the Agency.
2. Applicants who are Certificate Holders who have been accepted and notified by the Owner will have five (5) working days thereafter to accept or reject a unit. If the Certificate Holder fails to affirmatively respond, the application may be closed. Rejection of the unit by a Certificate holder must be shown on current status report.
3. All Certificate Holders found acceptable by the Owner shall have the opportunity to inspect a model or other available completed unit, and be assigned an appropriate unit for future occupancy. Units may be offered to non-Certificate Holders at any time as long as the current status report shows that there are sufficient units available to satisfy applications from Certificate Holders for units of appropriate size in any stage of processing. ALL OBLIGATIONS TO SHOW MODELS OR OTHER AVAILABLE COMPLETED UNITS SHALL REMAIN IN EFFECT DURING INITIAL OCCUPANCY PERIOD. Initial Occupancy is defined for all purposes of this Attachment "4" as the earlier of ninety (90) calendar days following the Agency's receipt of a certified copy of a Certificate (or Certificates) of Occupancy issued by the City and County of San Francisco for the respective unit (or units) to be so approved for occupancy, or the date when all units have been rented to the first occupants thereof. Upon Initial Occupancy the Agency will certify compliance with this Attachment "4" with a written notice provided ten (10) days after Initial Occupancy. Such certification in no way negates the Owner's continued obligations to provide housing to persons displaced or to be displaced by the Agency's redevelopment activities as vacancies occur amount the units designated for Low Income Households.

E. Prior to Initial Occupancy, the Owner will deliver at least monthly, or more frequently if available to the Owner from its leasing agent, a rent-up report for all Development units listing the following:

1. Unit number rented;
 2. Tenant name;
 3. Date of move-in; and
 4. Rent rate.
- F. The Owner agrees that any contract entered into for the management of the residential portions of the Development, both before and after Initial Occupancy, shall be furnished to the Agency, shall incorporate the provisions of this Attachment "I", and shall bind the management agent to comply with its requirements.
- G. After Initial Occupancy (without regard to whether the Agency has certified compliance with the obligation of the Owner respecting the period prior to Initial Occupancy), the Owner agrees to notify the Agency as far as practicable in advance of vacancies, which may occur in Low Income Housing units. The Agency and the Owner agree to follow the steps set forth in paragraph (D) above with respect to such units. In the event no appropriate Certificate Holder can be found within five (5) working days after receipt of notification by the Owner to the Agency of availability of a unit, the Agency agrees that the Owner may lease the unit to Low Income Households, as appropriate, which do not hold a Certificate of Preference.
- H. The Agency reserves the right to waive any of the foregoing conditions, provided however that any such waiver shall not be deemed to have waived any other conditions, nor the same condition subsequently.

ATTACHMENT 5

Form of Memorandum of Lease

Free Recording Requested Pursuant to
Government Code Section 27383

When recorded, mail to:
Mayor's Office of Housing of the
City and County of San Francisco
1 South Van Ness Avenue, Fifth Floor
San Francisco, California 94103
Attn: Director

MEMORANDUM OF GROUND LEASE

This Memorandum of Ground Lease ("Memorandum") is entered into as of _____, 2013, by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the "City"), acting by and through the Mayor's Office Of Housing ("City"), and BROADWAY SANSOME ASSOCIATES L.P., a California limited partnership ("Tenant"), with respect to that certain Amended and Restated Ground Lease (the "Lease") dated _____, 2013, between City and Tenant.

Pursuant to the Lease, City hereby leases to Tenant and Tenant leases from City the real property more particularly described in Exhibit A, attached hereto and incorporated herein by this reference (the "Property"). The Lease shall commence on the date set forth above and shall end on the date which is 70 years from the date set forth above, unless terminated earlier or extended pursuant to the terms of the Lease.

This Memorandum shall incorporate herein all of the terms and provisions of the Lease as though fully set forth herein.

This Memorandum is solely for recording purposes and shall not be construed to alter, modify, amend or supplement the Lease, of which this is a memorandum.

This Memorandum may be signed by the parties hereto in counterparts with the same effect as if the signatures to each counterpart were upon a single instrument. All counterparts shall be deemed an original of this Memorandum.

Executed as of _____, 2013 in San Francisco, California.

ATTACHMENT 5

Form of Memorandum of Lease

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Executed as of _____, 2013 in San Francisco, California.

TENANT:
BROADWAY SANSOME ASSOCIATES L.P.,
a California limited partnership

By: BROADWAY FAMILY APARTMENTS LLC,
a California limited liability company
Its managing general partner

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

By:
Norman Fong
Executive Director

CITY:
CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: _____
Olson Lee
Director, Mayor's Office of Housing

ATTACHMENT 6

TENANT INCOME CERTIFICATION QUESTIONNAIRE

One Form per Adult Member of the Household

NAME: _____ <input type="checkbox"/> Initial Certification <input type="checkbox"/> Re-certification <input type="checkbox"/> Other	TELEPHONE NUMBER: () _____ BIN # _____ Unit # _____
--	--

INCOME INFORMATION

	Yes	No		MONTHLY GROSS INCOME
1.	<input type="checkbox"/>	<input type="checkbox"/>	I am self employed. (List nature of self employment) _____	(use <u>net</u> income from self-employment only) \$ _____
2.	<input type="checkbox"/>	<input type="checkbox"/>	I have a job and receive wages, salary, overtime pay, commissions, fees, tips, bonuses, and/or other compensation: List the businesses and/or companies that pay you: <div style="text-align: center;"> <u>Name of Employer</u> 1) _____ \$ _____ 2) _____ \$ _____ 3) _____ \$ _____ </div>	
3.	<input type="checkbox"/>	<input type="checkbox"/>	I receive cash contributions of gifts including rent or utility payments, on an ongoing basis from persons not living with me.	\$ _____
4.	<input type="checkbox"/>	<input type="checkbox"/>	I receive unemployment benefits.	\$ _____
5.	<input type="checkbox"/>	<input type="checkbox"/>	I receive Veteran's Administration, GI Bill, or National Guard/Military benefits/income.	\$ _____
6.	<input type="checkbox"/>	<input type="checkbox"/>	I receive periodic social security payments.	\$ _____
7.	<input type="checkbox"/>	<input type="checkbox"/>	The household receives <u>unearned</u> income from family members age 17 or under (example: Social Security, Trust Fund disbursements, etc.).	\$ _____
8.	<input type="checkbox"/>	<input type="checkbox"/>	I receive Supplemental Security Income (SSI).	\$ _____
9.	<input type="checkbox"/>	<input type="checkbox"/>	I receive disability or death benefits other than Social Security.	\$ _____
10.	<input type="checkbox"/>	<input type="checkbox"/>	I receive Public Assistance Income (examples: TANF, AFDC).	\$ _____
11.	<input type="checkbox"/>	<input type="checkbox"/>	I am entitled to receive child support payments.	\$ _____
	<input type="checkbox"/>	<input type="checkbox"/>	I am currently receiving child support payments. If yes, from how many persons do you receive support? _____	\$ _____
	<input type="checkbox"/>	<input type="checkbox"/>	I am currently making efforts to collect child support owed to me. List efforts being made to collect child support: _____ _____	
12.	<input type="checkbox"/>	<input type="checkbox"/>	I receive alimony/spousal support payments	\$ _____
13.	<input type="checkbox"/>	<input type="checkbox"/>	I receive periodic payments from trusts, annuities, inheritance, retirement funds or pensions, insurance policies, or lottery winnings. If yes, list sources: 1) _____ 2) _____	\$ _____ \$ _____
14.	<input type="checkbox"/>	<input type="checkbox"/>	I receive income from real or personal property.	(use <u>net</u> earned income) \$ _____
15.	<input type="checkbox"/>	<input type="checkbox"/>	Student financial aid (public or private, not including student loans) Subtract cost of tuition from Aid received <i>*For Households receiving Section 8 Assistance Only</i>	\$ _____

ASSET INFORMATION

YES	NO		INTEREST RATE	CASH VALUE	
16.	<input type="checkbox"/>	<input type="checkbox"/>	I have a checking account(s). If yes, list bank(s) 1) _____ 2) _____	_____% _____%	\$ _____ \$ _____
17.	<input type="checkbox"/>	<input type="checkbox"/>	I have a savings account(s) If yes, list bank(s) 1) _____ 2) _____	_____% _____%	\$ _____ \$ _____
18.	<input type="checkbox"/>	<input type="checkbox"/>	I have a revocable trust(s) If yes, list bank(s) 1) _____	_____%	\$ _____
19.	<input type="checkbox"/>	<input type="checkbox"/>	I own real estate. If yes, provide description: _____		\$ _____
20.	<input type="checkbox"/>	<input type="checkbox"/>	I own stocks, bonds, or Treasury Bills If yes, list sources/bank names 1) _____ 2) _____ 3) _____	_____% _____% _____%	\$ _____ \$ _____ \$ _____
21.	<input type="checkbox"/>	<input type="checkbox"/>	I have Certificates of Deposit (CD) or Money Market Account(s). If yes, list sources/bank names 1) _____ 2) _____ 3) _____	_____% _____% _____%	\$ _____ \$ _____ \$ _____
22.	<input type="checkbox"/>	<input type="checkbox"/>	I have an IRA/Lump Sum Pension/Keogh Account/401K. If yes, list bank(s) 1) _____ 2) _____	_____% _____%	\$ _____ \$ _____
23.	<input type="checkbox"/>	<input type="checkbox"/>	I have a whole life insurance policy. If yes, how many policies _____		\$ _____
24.	<input type="checkbox"/>	<input type="checkbox"/>	I have cash on hand.		\$ _____
25.	<input type="checkbox"/>	<input type="checkbox"/>	I have disposed of assets (i.e. gave away money/assets) for less than the fair market value in the past 2 years. If yes, list items and date disposed: 1) _____ 2) _____		\$ _____ \$ _____

STUDENT STATUS

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	Does the household consist of all persons who are <u>full-time</u> students (Examples: K-12, College, Trade School, etc.)?
<input type="checkbox"/>	<input type="checkbox"/>	Does the household consist of all persons who have been a <u>full-time</u> student 5 months in the current calendar year?
<input type="checkbox"/>	<input type="checkbox"/>	Does your household anticipate becoming an all <u>full-time</u> student household in the next 12 months?
<input type="checkbox"/>	<input type="checkbox"/>	If you answered yes to any of the previous three questions are you:
<input type="checkbox"/>	<input type="checkbox"/>	• Receiving assistance under Title IV of the Social Security Act (AFDC/TANF/Cal Works - not SSA/SSI)
<input type="checkbox"/>	<input type="checkbox"/>	• Enrolled in a job training program receiving assistance through the Job Training Participation Act (JTPA) or other similar program
<input type="checkbox"/>	<input type="checkbox"/>	• Married and filing (or are entitled to file) a joint tax return
<input type="checkbox"/>	<input type="checkbox"/>	• Single parent with a dependant child or children and neither you nor your child(ren) are dependent of another individual
<input type="checkbox"/>	<input type="checkbox"/>	• Previously enrolled in the Foster Care program (currently age 18-24)

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE INFORMATION PRESENTED ON THIS FORM IS TRUE AND ACCURATE TO THE BEST OF MY/OUR KNOWLEDGE. THE UNDERSIGNED FURTHER UNDERSTANDS THAT PROVIDING FALSE REPRESENTATIONS HEREIN CONSTITUTES AN ACT OF FRAUD. FALSE, MISLEADING OR INCOMPLETE INFORMATION WILL RESULT IN THE DENIAL OF APPLICATION OR TERMINATION OF THE LEASE AGREEMENT.

PRINTED NAME OF APPLICANT/TENANT

SIGNATURE OF APPLICANT/TENANT

DATE

WITNESSED BY (SIGNATURE OF OWNER/REPRESENTATIVE)

DATE

TENANT INCOME CERTIFICATION

Initial Certification
 1st Recertification
 Other

Effective Date: _____
 Move-in Date: _____
 (MM/DD/YYYY)

PART I - DEVELOPMENT DATA

Property Name: _____ County: _____ BIN #: _____
 Address: _____ Unit Number: _____ # Bedrooms: _____

PART II. HOUSEHOLD COMPOSITION

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	F/T Student (Y or N)	Social Security or Alien Reg. No.
1			HEAD			
2						
3						
4						
5						
6						
7						

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	\$ _____	\$ _____	\$ _____	\$ _____

Add totals from (A) through (D), above

TOTAL INCOME (E): \$ _____

PART IV. INCOME FROM ASSETS:

Hshld Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
TOTALS:			\$ _____	\$ _____

Enter Column (H) Total _____ Passbook Rate _____ = (J) Imputed Income _____
 If over \$5000 \$ _____ X 2.00%

Enter the greater of the total of column I, or J: imputed income **TOTAL INCOME FROM ASSETS (K)** \$ _____

(L) Total Annual Household Income from all Sources [Add (E) + (K)] \$ _____

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature	(Date)	Signature	(Date)
Signature	(Date)	Signature	(Date)

PART V. DETERMINATION OF INCOME ELIGIBILITY

TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: From item (L) on page I \$ 	RECERTIFICATION ONLY: Current Income Limit x 140%: \$ _____ Household Income exceeds 140% at recertification: <input type="checkbox"/> Yes <input type="checkbox"/> No
Current Income Limit per Family Size: \$ _____	
Household Income at Move-in: \$ _____	Household Size at Move-in: _____

PART VI. RENT

Tenant Paid Rent \$ _____ Utility Allowance \$ _____	Rent Assistance: \$ _____ Other non-optional charges: \$ _____
GROSS RENT FOR UNIT: (Tenant paid rent plus Utility Allowance & other non-optional charges) \$ 	Unit Meets Rent Restriction at: <input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> _____ %
Maximum Rent Limit for this unit: \$ _____	

PART VII. STUDENT STATUS

ARE ALL OCCUPANTS FULL TIME STUDENTS? <input type="checkbox"/> yes <input type="checkbox"/> no	If yes, Enter student explanation* (also attach documentation) Enter 1-5	*Student Explanation: 1 AFDC / TANF Assistance 2 Job Training Program 3 Single Parent/Dependent Child 4 Married/Joint Return 5 Former Foster Care
---	---	--

PART VIII. PROGRAM TYPE

Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification.

a. Tax Credit <input type="checkbox"/> See Part V above.	b. HOME <input type="checkbox"/> <i>Income Status</i> <input type="checkbox"/> ≤ 50% AMGI <input type="checkbox"/> ≤ 60% AMGI <input type="checkbox"/> ≤ 80% AMGI <input type="checkbox"/> OI**	c. Tax Exempt <input type="checkbox"/> <i>Income Status</i> <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 60% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	d. AHDP <input type="checkbox"/> <i>Income Status</i> <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	e. _____ <input type="checkbox"/> (Name of Program) <i>Income Status</i> <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> OI**
---	--	--	---	---

** Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

 SIGNATURE OF OWNER/REPRESENTATIVE DATE

INSTRUCTIONS FOR COMPLETING TENANT INCOME CERTIFICATION

This form is to be completed by the owner or an authorized representative.

Part I - Development Data

Check the appropriate box for Initial Certification (move-in), Recertification (annual recertification), or Other. If Other, designate the purpose of the recertification (i.e., a unit transfer, a change in household composition, or other state-required recertification).

Move-in Date Enter the date the tenant has or will take occupancy of the unit.

Effective Date Enter the effective date of the certification. For move-in, this should be the move-in date. For annual recertification, this effective date should be no later than one year from the effective date of the previous (re)certification.

Property Name Enter the name of the development.

County Enter the county (or equivalent) in which the building is located.

BIN # Enter the Building Identification Number (BIN) assigned to the building (from IRS Form 8609).

Address Enter the address of the building.

Unit Number Enter the unit number.

Bedrooms Enter the number of bedrooms in the unit.

Part II - Household Composition

List all occupants of the unit. State each household member's relationship to the head of household by using one of the following coded definitions:

H	-	Head of Household	S	-	Spouse
A	-	Adult co-tenant	O	-	Other family member
C	-	Child	F	-	Foster child(ren)/adult(s)
L	-	Live-in caretaker	N	-	None of the above

Enter the date of birth, student status, and social security number or alien registration number for each occupant.

If there are more than 7 occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification.

Part III - Annual Income

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income, including acceptable forms of verification.

From the third party verification forms obtained from each income source, enter the gross amount anticipated to be received for the twelve months from the effective date of the (re)certification. Complete a separate line for each income-earning member. List **each** respective household member number from Part II. Include anticipated income only if documentation exists verifying pending employment. If any adult states zero-income, please note "zero" in the columns of Part III.

Column (A) Enter the annual amount of wages, salaries, tips, commissions, bonuses, and other income from employment; distributed profits and/or net income from a business.

Column (B) Enter the annual amount of Social Security, Supplemental Security Income, pensions, military retirement, etc.

Column (C) Enter the annual amount of income received from public assistance (i.e., TANF, general assistance, disability, etc.).

Column (D) Enter the annual amount of alimony, child support, unemployment benefits, or any other income regularly received by the household.

Row (E) Add the totals from columns (A) through (D), above. Enter this amount.

Part IV - Income from Assets

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income from assets, including acceptable forms of verification.

From the third party verification forms obtained from each asset source, list the gross amount anticipated to be received during the twelve months from the effective date of the certification. List the respective household member number from Part II and complete a separate line for each member.

Column (F) List the type of asset (i.e., checking account, savings account, etc.)

Column (G) Enter C (for current, if the family currently owns or holds the asset), or I (for imputed, if the family has disposed of the asset for less than fair market value within two years of the effective date of (re)certification).

Column (H) Enter the cash value of the respective asset.

Column (I) Enter the anticipated annual income from the asset (i.e., savings account balance multiplied by the annual interest rate).

TOTALS Add the total of Column (H) and Column (I), respectively.

If the total in Column (H) is greater than \$5,000, you must do an imputed calculation of asset income. Enter the Total Cash Value, multiply by 2% and enter the amount in (J), Imputed Income.

Row (K) Enter the greater of the total in Column (I) or (J)

Row (L) Total Annual Household Income From all Sources Add (E) and (K) and enter the total

HOUSEHOLD CERTIFICATION AND SIGNATURES

After all verifications of income and/or assets have been received and calculated, each household member age 18 or older must sign and date the Tenant Income Certification. For move-in, it is recommended that the Tenant Income Certification be signed no earlier than 5 days prior to the effective date of the certification.

Part V - Determination of Income Eligibility

Total Annual Household Income from all Sources Enter the number from item (L).

Current Income Limit per Family Size Enter the Current Move-in Income Limit for the household size.

Household income at move-in Household size at move-in For recertifications, only. Enter the household income from the move-in certification. On the adjacent line, enter the number of household members from the move-in certification.

Household Meets Income Restriction Check the appropriate box for the income restriction that the household meets according to what is required by the set-aside(s) for the project.

Current Income Limit x 140% For recertifications only. Multiply the Current Maximum Move-in Income Limit by 140% and enter the total. **140% is based on the Federal Set-Aside of 20/50 or 40/60, as elected by the owner for the property, not deeper targeting elections of 30%, 40%, 45%, 50%, etc.** Below, indicate whether the household income exceeds that total. If the Gross Annual Income at recertification is greater than 140% of the current income limit, then the available unit rule must be followed.

Part VI - Rent

Tenant Paid Rent	Enter the amount the tenant pays toward rent (not including rent assistance payments such as Section 8).
Rent Assistance	Enter the amount of rent assistance, if any.
Utility Allowance	Enter the utility allowance. If the owner pays all utilities, enter zero.
Other non-optional charges	Enter the amount of <u>non-optional</u> charges, such as mandatory garage rent, storage lockers, charges for services provided by the development, etc.
Gross Rent for Unit	Enter the total of Tenant Paid Rent plus Utility Allowance and other non-optional charges.
Maximum Rent Limit for this unit	Enter the maximum allowable gross rent for the unit.
Unit Meets Rent Restriction at	Check the appropriate rent restriction that the unit meets according to what is required by the set-aside(s) for the project.

Part VII - Student Status

If all household members are full time* students, check "yes". If at least one household member is not a full time student, check "no".

If "yes" is checked, the appropriate exemption must be listed in the box to the right. If none of the exemptions apply, the household is ineligible to rent the unit.

**Full time is determined by the school the student attends.*

Part VIII - Program Type

Mark the program(s) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification. If the property does not participate in the HOME, Tax-Exempt Bond, Affordable Housing Disposition, or other housing program, leave those sections blank.

Tax Credit	See Part V above.
HOME	If the property participates in the HOME program and the unit this household will occupy will count towards the HOME program set-asides, mark the appropriate box indicating the household's designation.
Tax Exempt	If the property participates in the Tax Exempt Bond program, mark the appropriate box indicating the household's designation.
AHDP	If the property participates in the Affordable Housing Disposition Program (AHDP), and this household's unit will count towards the set-aside requirements, mark the appropriate box indicating the household's designation.
Other	If the property participates in any other affordable housing program, complete the information as appropriate.

SIGNATURE OF OWNER/REPRESENTATIVE

It is the responsibility of the owner or the owner's representative to sign and date this document immediately following execution by the resident(s).

The responsibility of documenting and determining eligibility (including completing and signing the Tenant Income Certification form) and ensuring such documentation is kept in the tenant file is extremely important and should be conducted by someone well trained in tax credit compliance.

These instructions should not be considered a complete guide on tax credit compliance. The responsibility for compliance with federal program regulations lies with the owner of the building(s) for which the credit is allowable.

Free Recording Requested Pursuant to
Government Code Section 27383

When recorded, mail to:
Mayor's Office of Housing of the
City and County of San Francisco
1 South Van Ness Avenue, Fifth Floor
San Francisco, California 94103
Attn: Director

MEMORANDUM OF GROUND LEASE

This Memorandum of Ground Lease ("Memorandum") is entered into as of _____, 2013, by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the "City"), acting by and through the Mayor's Office Of Housing ("City"), and BROADWAY SANSOME ASSOCIATES L.P., a California limited partnership ("Tenant"), with respect to that certain Amended and Restated Ground Lease (the "Lease") dated _____, 2013, between City and Tenant.

Pursuant to the Lease, City hereby leases to Tenant and Tenant leases from City the real property more particularly described in Exhibit A, attached hereto and incorporated herein by this reference (the "Property"). The Lease shall commence on the date set forth above and shall end on the date which is 70 years from the date set forth above, unless terminated earlier or extended pursuant to the terms of the Lease.

This Memorandum shall incorporate herein all of the terms and provisions of the Lease as though fully set forth herein.

This Memorandum is solely for recording purposes and shall not be construed to alter, modify, amend or supplement the Lease, of which this is a memorandum.

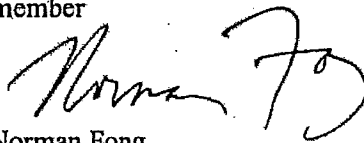
This Memorandum may be signed by the parties hereto in counterparts with the same effect as if the signatures to each counterpart were upon a single instrument. All counterparts shall be deemed an original of this Memorandum.

Executed as of _____, 2013 in San Francisco, California.

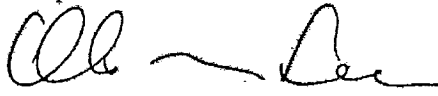
TENANT:
BROADWAY SANSOME ASSOCIATES L.P.,
a California limited partnership

By: BROADWAY FAMILY APARTMENTS LLC,
a California limited liability company
Its managing general partner

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

By: 
Norman Fong
Executive Director

CITY:
CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By: 
Olson Lee
Director, Mayor's Office of Housing

By: 
~~John Kipchick~~ Andrico Penick 4/12/13
Acting Director, Real Estate

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Francisco }

On March 18, 2013 before me, Sean Gregory Sharp Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Norman Feng
Name(s) of Signer(s)

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/hers/their authorized capacity(ies), and that by his/hers/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 Sean Gregory Sharp
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

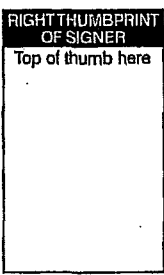
Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____
 Document Date: _____ Number of Pages: _____
 Signer(s) Other Than Named Above: _____

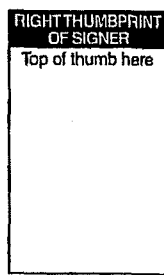
Capacity(ies) Claimed by Signer(s)

- Signer's Name: _____
- Individual
 - Corporate Officer — Title(s): _____
 - Partner — Limited General
 - Attorney In Fact
 - Trustee
 - Guardian or Conservator
 - Other: _____



Signer Is Representing: _____

- Signer's Name: _____
- Individual
 - Corporate Officer — Title(s): _____
 - Partner — Limited General
 - Attorney In Fact
 - Trustee
 - Guardian or Conservator
 - Other: _____



Signer Is Representing: _____

ACKNOWLEDGMENT

State of California
County of San Francisco

On April 12, 2013 before me, Kathleen V. Bianchi, Notary Public
(Insert name and title of the officer)

personally appeared Andrico Penick
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 Kathleen V. Bianchi (Seal)



Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator

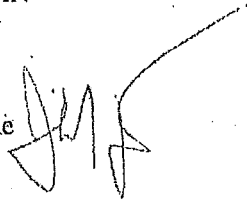


John Updike
Director of Real Estate

MEMORANDUM

TO: Andrico Penick
Special Assistant to the Director

CC: CHARLES SULLIVAN
Deputy City Attorney

FROM: JOHN UPDIKE
Director of Real Estate 

DATE: April 10, 2013

RE: Absence from Office; Delegation of Authority

I will be absent from the office on Thursday, April 11, 2013 through Sunday, April 14, 2013. In my capacity as the City's Director of Property, I hereby delegate to Andrico Penick authority to sign documents as Acting Director of Property during my absence.

kb

Introduction Form

By a Member of the Board of Supervisors or the Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2016 SEP 20

Time stamp
of meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.

Sponsor(s):

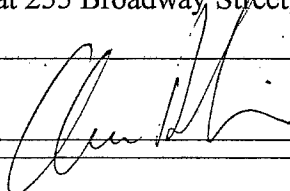
Supervisor Peskin

Subject:

[Grant Agreement - Broadway Sansome Associates, L.P. - Municipal Transportation Authority Rent Subsidies - Not to Exceed \$1,192,320]

The text is listed below or attached:

Resolution authorizing the Director of the Mayor's Office of Housing and Community Development to execute a Grant Agreement with Broadway Sansome Associates, L.P., to provide Municipal Transportation Authority rent subsidies for 12 permanently displaced low-income households at 255 Broadway Street, for a 30-year period, in an amount not to exceed \$1,192,320.

Signature of Sponsoring Supervisor: 

For Clerk's Use Only: