File No. 150688 Committee Item No. 4
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use & Transportation **Date** July 20, 2015

Board of Supervisors Meeting **Date** _____

Cmte	Board	
☐	☐	Motion
☒	☐	Resolution
☐	☐	Ordinance
☐	☐	Legislative Digest
☐	☐	Budget and Legislative Analyst Report
☐	☐	Youth Commission Report
☒	☐	Introduction Form
☐	☐	Department/Agency Cover Letter and/or Report
☐	☐	MOU
☒	☐	Grant Information Form
☐	☐	Grant Budget
☐	☐	Subcontract Budget
☒	☐	Contract/Agreement
☒	☐	Form 126 – Ethics Commission
☐	☐	Award Letter
☐	☐	Application
☐	☐	Public Correspondence

OTHER (Use back side if additional space is needed)

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Completed by: Andrea Ausberry **Date** July 16, 2015
Completed by: _____ **Date** _____

FILE NO. 150688 RESOLUTION NO.

[Disposition and Development Agreement - Successor Agency to the San Francisco Redevelopment Agency Land - Transbay 8 Urban Housing, LLC - Transbay Block 8 - $71,000,000]

Resolution approving the disposition of land by the Office of Community Investment and Infrastructure as Successor Agency to the San Francisco Redevelopment Agency to Transbay 8 Urban Housing, LLC, a Delaware limited liability company, and Tenderloin Neighborhood Development Corporation, a California non-profit public benefit corporation, for a purchase price of $71,000,000; and making findings under Health and Safety Code, Section 33433, as required under the Transbay Redevelopment Plan for the parcel located on Folsom Street between First and Fremont Streets, Assessor's Parcel Block No. 3737, Portions of Lot Nos. 005, 012, and 027, commonly known as Transbay Block 8.

WHEREAS, Pursuant to the Redevelopment Plan for the Transbay Redevelopment Project Area, as adopted by Ordinance No. 124-05 (June 23, 2005) and by Ordinance No. 99-06 (May 19, 2006) ("Redevelopment Plan"), the Board of Supervisors of the City and County of San Francisco ("Board of Supervisors") shall approve the sale or lease of certain parcels by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the "Successor Agency," also commonly known as the Office of Investment and Infrastructure ("OCII")) under the standards of Section 33433 of the California Community Redevelopment Law; and

WHEREAS, The Board of Supervisors adopted the Transbay Redevelopment Project Area (the "Project Area") in order to undertake a variety of projects and activities to alleviate blighting conditions; and

WHEREAS, The California Legislature in 2003 enacted Assembly Bill 812 ("AB 812") authorizing the demolition of the historic Transbay Terminal building and the construction of the new Transbay Transit Center ("TTC") (Stat. 2003, Chapter 99, codified at Section 5027.1 of the Cal. Public Resources Code); and

WHEREAS, AB 812 also mandated that 25% of the residential units developed in the area around the TTC "shall be available to" low income households, and an additional 10% "shall be available to" moderate income households if the City and County of San Francisco ("City") adopted a redevelopment plan providing for the financing of the Center; and

WHEREAS, In 2003, in an agreement with the Transbay Joint Powers Authority ("TJPA") and the City, the State agreed to transfer approximately 10 acres of State-owned property ("State-owned parcels") in and around the then-existing Transbay Terminal to the City and the TJPA, which would then sell the State-owned parcels and use the revenues from the sales to finance the TTC ("Cooperative Agreement"); and

WHEREAS, The City agreed, among other things, to commit the property tax revenue from the State-owned parcels through its Redevelopment Agency (the "Former Agency") to the TTC; and

WHEREAS, Under the Cooperative Agreement, the State relied on tax increment financing under a redevelopment plan to improve and sell the parcels; and

WHEREAS, The Redevelopment Plan provided for the financing of the TTC and established a program for the Former Agency to redevelop and revitalize the blighted Project Area; and

WHEREAS, In 2006, the TJPA and the Former Agency executed an agreement ("Implementation Agreement"), which required the Former Agency to take the lead role in facilitating the development of the State-owned parcels; and

WHEREAS, Specifically, the Implementation Agreement required the Former Agency to: (1) prepare and sell the State-owned parcels to third parties, (2) deposit the sale proceeds into a trust account to help the TJPA pay the cost of constructing the TTC, (3) implement the Redevelopment Plan to enhance the financial feasibility of the TTC, and (4) fund the state-mandated affordable housing program; and

WHEREAS, In 2008, the City, the Former Agency and the TJPA entered into an agreement that granted options to the Former Agency to acquire the State-owned parcels, arrange for development of the parcels, and distribute the net tax increment to the TJPA to use for the TTC ("Option Agreement"); and

WHEREAS, The Option Agreement provided the means by which the Former Agency could fulfill its obligations under the Implementation Agreement to prepare and sell the State-owned parcels, including Blocks 2-12 and Parcel F (Section 2.1 of the Option Agreement at p. 4); and

WHEREAS, On February 1, 2012, the Former Agency was dissolved pursuant to the provisions of California State Assembly Bill No. 1X 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) ("AB 26"), codified in relevant part in California's Health and Safety Code, Sections 34161 – 34168 and upheld by the California Supreme Court in California Redevelopment Assoc. v. Matosantos, No. S194861 (Dec. 29, 2011); and

WHEREAS, On June 27, 2012, AB 26 was subsequently amended in part by California State Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) ("AB 1484"); and

WHEREAS, Together, AB 26 and AB 1484, as amended from time to time, are referred to as the "Redevelopment Dissolution Law;" and

WHEREAS, Pursuant to the Redevelopment Dissolution Law, all of the Former Agency's assets (other than certain housing assets) and obligations were transferred to OCII; and

WHEREAS, Block 8, also identified as Portions of Lot Nos. 005, 012, and 027, Assessor's Block No. 3737, is an approximately 49,673-square-foot parcel on Folsom Street between First and Fremont Streets, two blocks south of the future TTC (the "Site" or the "Property"); and

WHEREAS, On November 20, 2013, the Successor Agency, pursuant to the Implementation Agreement, issued a Request for Proposals (the "RFP") from development teams to design and develop a high-density, mixed-income residential project on Block 8 in the Project Area; and

WHEREAS, Three proposals were received and deemed to meet the minimum threshold requirements defined in the RFP; and

WHEREAS, Based on evaluation of the written proposals, as well as interviews with each team, the proposal from Related California Urban Housing, LLC ("Related") and Tenderloin Neighborhood Development Corporation ("TNDC"), along with Office of Metropolitan Architecture and Fougeron Architecture, was scored the highest by a selection panel comprised of Successor Agency staff, City staff, and a representative from the Transbay Citizens Advisory Committee; and

WHEREAS, On June 17, 2014, the Commission on Community Investment and Infrastructure (CCII), authorized staff to enter into exclusive negotiations for the development of Block 8 with the development team lead by Related and TNDC; and

WHEREAS, On April 15, 2013, the California Department of Finance ("DOF") determined "finally and conclusively," under Cal. Health & Safety Code, Section 34177.5 (i), that the Implementation Agreement, AB 812, and the Transbay Redevelopment Project Tax Increment Allocation and Sales Proceeds Pledge Agreement ("Pledge Agreement") are enforceable obligations; and

WHEREAS, The Implementation Agreement and several other Transbay obligations

require OCII to take the actions proposed by this Resolution; and

WHEREAS, On April 21, 2015, the CCII approved the exercise of OCII's option to acquire Block 8 from the TJPA pursuant to the Option Agreement and approved the Disposition and Development Agreement ("DDA") with Transbay 8 Urban Housing LLC, a Delaware limited liability company, of which Related California Urban Housing, LLC is currently the sole member, and TNDC; and

WHEREAS, Transbay 8 Urban Housing LLC and TNDC anticipate that the development program for Block 8 will consist of : (a) a market-rate for-sale residential component consisting of approximately 124 residential units on floors thirty-two to fifty-five of an up to 550-foot residential tower (the "**Market-Rate Condo Project**"); (b) an "80/20" mixed-income component consisting of approximately 280 market-rate rental units on floors eight to thirty-one and approximately 70 affordable rental units on floors one to seven in the residential tower ("**80/20 Project**"); (c) an affordable project with approximately 80 rental residential units ("**Affordable Project**") in a podium building and townhouses along Clementina Street; (d) streetscape improvements including the extension of Clementina Street on the northern edge of the site and a 25-foot wide Folsom Street sidewalk; (e) ground-floor retail space along Folsom Street of approximately 8,345 square feet and a possible grocery store on the basement level; (f) a shared approximately 6,500-square-foot mid-block open space and paseo; and (g) shared underground parking with approximately 204 stalls; and

WHEREAS, The 70 affordable rental units in the 80/20 Project will be affordable to households earning up to 40% and 50% of Area Median Income ("AMI"), and the 80 rental units in the in the Affordable Project will be affordable to households earning up to 50% of AMI; and

WHEREAS, The Affordable Project will be subsidized by OCII funding; and

WHEREAS, The Site is an underutilized lot that has most recently been used for construction staging; and

WHEREAS, Notice of the public hearing has been published consistent with Health and Safety Code, Section 33433; and

WHEREAS, OCII prepared and submitted a report consistent with the requirements of Section 33433 of the Health and Safety Code, including a copy of the proposed DDA, and a summary of the transaction describing the cost of the DDA to OCII, the value of the property interest to be conveyed, the purchase price and other information, which was made available for public inspection; now, therefore, be it

RESOLVED, That the Board of Supervisors of the City and County of San Francisco does hereby find and determine that the sale of the Property from OCII to Transbay 8 Urban Housing LLC, a Delaware limited liability company and Tenderloin Neighborhood Development Corporation, a California non-profit public benefit corporation: 1) includes consideration to be received by OCII that is not less than the fair market value at the highest and best use in accordance with the Redevelopment Plan: 2) includes a purchase price of $71,000,000, which was a competitive price achieved through a competitive request for proposals process based on the development permitted on the Site and the affordable housing requirements of the Redevelopment Plan, and which will be deposited, at the transfer of title, into the trust account established by the TJPA to help pay the cost of constructing the new TTC; 3) will provide no less than 150 units of affordable family housing for households with incomes up to 40% and 50% of area median income; and, 4) will assist in the elimination of blight by converting a underutilized lot into a high-density, mixed-use, mixed-income residential development; and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby approves and authorizes OCII to execute the DDA for the sale of the Property from the Office of Community

Investment and Infrastructure to Transbay 8 Urban Housing LLC, a Delaware limited liability company and Tenderloin Neighborhood Development Corporation, a California non-profit public benefit corporation, substantially in the form of the DDA lodged with the City Attorney, and to take such further actions and execute such documents as are necessary to carry out the DDA on behalf of OCII.

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: John Rahaim, Director, Planning Department
Todd Rufo, Director, Office of Economic and Workforce Development
John Updike, Director, Real Estate
Tiffany Bohee, Executive Director, Office of Community Investment and Infrastructure

FROM: Andrea Ausberry, Assistant Clerk, Land Use and Transportation Committee, Board of Supervisors

DATE: July 2, 2015

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, introduced by Supervisor Kim on June 23, 2015:

File No. 150688

Resolution approving the disposition of land by the Office of Community Investment and Infrastructure as Successor Agency to the San Francisco Redevelopment Agency to Transbay 8 Urban Housing, LLC, a Delaware limited liability company, and Tenderloin Neighborhood Development Corporation, a California non-profit public benefit corporation, for a purchase price of $71,000,000; and making findings under Health and Safety Code, Section 33433, as required under the Transbay Redevelopment Plan for the parcel located on Folsom Street between First and Fremont Streets, Assessor's Parcel Block No. 3737, Portions of Lot Nos. 005, 012, and 027, commonly known as Transbay Block 8.

If you have any additional comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c:
Scott Sanchez, Zoning Administrator
Sarah Jones, Acting Environmental Review Officer,
AnMarie Rodgers, Senior Policy Advisor
Aaron Starr, Acting Manager of Legislative Affairs
Joy Navarrete, Environmental Planning
Jeanie Poling, Environmental Planning
Ken Rich, Director of Development
Natasha Jones, Commission Secretary
Claudia Guerra, Executive Assistant, Commission Secretary

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Regina Dick-Endrizzi, Director
Small Business Commission, City Hall, Room 448

FROM: Andrea Ausberry, Assistant Clerk, Land Use and Economic Development Committee, Board of Supervisors

DATE: July 2, 2015

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Land Use and Economic Development Committee

The Board of Supervisors' Land Use and Economic Development Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 150688

Resolution approving the disposition of land by the Office of Community Investment and Infrastructure as Successor Agency to the San Francisco Redevelopment Agency to Transbay 8 Urban Housing, LLC, a Delaware limited liability company, and Tenderloin Neighborhood Development Corporation, a California non-profit public benefit corporation, for a purchase price of $71,000,000; and making findings under Health and Safety Code, Section 33433, as required under the Transbay Redevelopment Plan for the parcel located on Folsom Street between First and Fremont Streets, Assessor's Parcel Block No. 3737, Portions of Lot Nos. 005, 012, and 027, commonly known as Transbay Block 8.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

****

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

____ No Comment

____ Recommendation Attached

_____
Chairperson, Small Business Commission

BOARD of SUPERVISORS

City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

LAND USE AND TRANSPORTATION COMMITTEE

NOTICE IS HEREBY GIVEN THAT the Land Use and Transportation Committee, acting as the Board of Supervisors will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: **Monday, July 20, 2015**

Time: **1:30 p.m.**

Location: **Legislative Chamber, Room 250, located at City Hall**
1 Dr. Carlton B. Goodlett Place, San Francisco, CA

Subject: **File No. 150688.** Hearing to consider the proposed Resolution approving the disposition of land by the Office of Community Investment and Infrastructure as Successor Agency to the San Francisco Redevelopment Agency to Transbay 8 Urban Housing, LLC, a Delaware limited liability company, and Tenderloin Neighborhood Development Corporation, a California non-profit public benefit corporation for a purchase price of $71,000,000; and making findings under Health and Safety Code, Section 33433, as required under the Transbay Redevelopment Plan for the parcel located on Folsom Street between First and Fremont Streets, Assessor's Parcel Block No. 3737, Portions of Lot Nos. 005, 012, and 027, commonly known as Transbay Block 8.

The purpose of said hearing is to hear all persons interested in the matter of the proposal of the Successor Agency to the San Francisco Redevelopment Agency (Successor Agency) to enter into a Disposition and Development Agreement (DDA) in connection with the sale and development of Transbay Block 8, more specifically described as Assessor's Block 3737, Portions of Lots 005, 012 and 027 (Property).

On April 21, 2015, the Successor Agency Commission conditionally approved said DDA for the sale and development of the land for said Property to the following named Developers:

Transbay 8 Urban Housing, LLC
A DELAWARE LIMITED LIABILITY COMPANY

Tenderloin Neighborhood Development Corporation
A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION

The Successor Agency has prepared a report pursuant to California Health and Safety Code Section 33433 (California Community Redevelopment Law) (Report). The Report contains the following (1) a copy of the DDA; and (2) a summary of the proposed transaction. Interested persons may inspect and, upon payment of the costs of reproduction, obtain copies of the Report at the

following address: Office of Community Investment and Infrastructure, One South Van Ness Avenue, 5th Floor, San Francisco, California, 94103.

Pursuant to Government Code, Section 65009, notice is hereby given, if you challenge, in court, the matter described above, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Board of Supervisors at, or prior to, the public hearing.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made as part of the official public record in this matter, and shall be brought to the attention of the members of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. The California Community Redevelopment Law, Section 33433, on Friday, June 26, 2015, the report was made available for public review. Agenda information relating to this matter will be available for public review on Friday, July 17, 2015.

Angela Calvillo, Clerk of the Board

DATED: July 2, 2015
PUBLISHED /POSTED: July 5 & July 12, 2015

New Order

Your Order is sent.

Customer Information

Customer Name	S.F. BD OF SUPERVISORS (NON-CONSECUTIVE)	**Master Id**	52704
Address	1 DR CARLTON B GOODLETT PL #244	**Phone**	4155547704
City	SAN FRANCISCO	**Fax**	4155547714
State - Zip	CA - 94102		

Product Information

Legal	GOVERNMENT - GOVT PUBLIC NOTICE

Order Information

Attention Name	AA	**Billing Reference No.**	Save
Ad Description	DDA 150688 072015	**Sale/Hrg/Bid Date**	-
Special Instructions	-		

Orders Created

Order No.	Newspaper Name	Publishing Dates	Ad	Price Description	Price	Ad Status
2770371	SAN FRANCISCO EXAMINER 10%, CA **Billed To:** CCSF BD OF SUPERVISORS (OFFICIAL NOTICES) **Created For:** CCSF BD OF SUPERVISORS (OFFICIAL NOTICES)	07/05/2015, 07/12/2015	**Depth :** 12.25" **Lines :** 149	**$3.75 149 lines * 2 Inserts[$1117.50] $ 10% set aside [$-111.75]**	**$1005.75**	Sent

Order No.	Newspaper	View
2770371	SAN FRANCISCO EXAMINER 10%	**View Ad In PDF**

NOTICE OF PUBLIC HEARING BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO LAND USE AND TRANSPORTATION COMMITTEE JULY 20, 2015 - 1:30 PM LEGISLATIVE CHAMBER, ROOM 250, CITY HALL 1 DR. CARLTON B. GOODLETT PLACE, SF, CA

NOTICE IS HEREBY GIVEN THAT the Land Use and Transportation Committee, acting as the Board of Supervisors will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard: File No. 150688. Hearing to consider the proposed Resolution approving the disposition of land by the Office of Community Investment and Infrastructure as Successor Agency to the San Francisco Redevelopment Agency to Transbay 8 Urban Housing, LLC, a Delaware limited liability company, and Tenderloin Neighborhood Development Corporation, a California non-profit public benefit corporation for a purchase price of $71,000,000; and making findings under Health and Safety Code, Section 33433, as required under the Transbay Redevelopment Plan for the parcel located on Folsom Street between First and Fremont Streets, Assessor's Parcel Block No. 3737, Portions of Lot Nos. 005, 012, and 027, commonly known as Transbay Block 8. The purpose of said hearing is to hear all

persons interested in the matter of the proposal of the Successor Agency to the San Francisco Redevelopment Agency (Successor Agency) to enter into a Disposition and Development Agreement (DDA) in connection with the sale and development of Transbay Block 8, more specifically described as Assessor's Block 3737, Portions of Lots 005, 012 and 027 (Property). On April 21, 2015, the Successor Agency Commission conditionally approved said DDA for the sale and development of the land for said Property to the following named Developers: Transbay 8 Urban Housing, LLC A DELAWARE LIMITED LIABILITY COMPANY Tenderloin Neighborhood Development Corporation A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION The Successor Agency has prepared a report pursuant to California Health and Safety Code Section 33433 (California Community Redevelopment Law) (Report). The Report contains the following (1) a copy of the DDA; and (2) a summary of the proposed transaction. Interested persons may inspect and, upon payment of the costs of reproduction, obtain copies of the Report at the following address: Office of Community Investment and Infrastructure, One South Van Ness Avenue, 5 th Floor, San Francisco, California, 94103. Pursuant to Government Code, Section 65009, notice is hereby given, if you challenge, in court, the matter described above, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Board of Supervisors at, or prior to, the public hearing. In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made as part of the official public record in this matter, and shall be brought to the attention of the members of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. The California Community Redevelopment Law, Section 33433, on Friday, June 26, 2015, the report was made available for public review. Agenda information relating to this matter will be available for public review on Friday, July 17, 2015. Angela Calvillo, Clerk of the Board

NOTICE OF PUBLIC HEARING BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO LAND USE AND TRANSPORTATION COMMITTEE JULY 20, 2015 - 1:30 PM LEGISLATIVE CHAMBER, ROOM 250, CITY HALL 1 DR. CARLTON B. GOODLETT PLACE, SF, CA

NOTICE IS HEREBY GIVEN THAT the Land Use and Transportation Committee, acting as the Board of Supervisors will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard: File No. 150688. Hearing to consider the proposed Resolution approving the disposition of land by the Office of Community Investment and Infrastructure as Successor Agency to the San Francisco Redevelopment Agency to Transbay 8 Urban Housing, LLC, a Delaware limited liability company, and Tenderloin Neighborhood Development Corporation, a California non-profit public benefit corporation for a purchase price of $71,000,000; and making findings under Health and Safety Code, Section 33433, as required under the Transbay Redevelopment Plan for the parcel located on Folsom Street between First and Fremont Streets, Assessor's Parcel Block No. 3737, Portions of Lot Nos. 005, 012, and 027, commonly known as Transbay Block 8. The purpose of said hearing is to hear all persons interested in the matter of the proposal of the Successor Agency to the San Francisco Redevelopment Agency (Successor Agency) to enter into a Disposition and Development Agreement (DDA) in connection with the sale and development of Transbay Block 8, more specifically described as Assessor's Block 3737, Portions of Lots 005, 012 and 027 (Property). On April 21, 2015, the Successor Agency Commission conditionally approved said DDA for the sale and development of the land for said Property to the following named Developers: Transbay 8 Urban Housing, LLC A DELAWARE LIMITED LIABILITY COMPANY Tenderloin Neighborhood Development Corporation A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION The Successor Agency has prepared a report pursuant to California Health and Safety Code Section 33433 (California Community Redevelopment Law) (Report). The Report contains the following (1) a copy of the DDA; and (2) a summary of the proposed transaction. Interested persons may inspect and, upon payment of the costs of reproduction, obtain copies of the Report at the following address: Office of Community Investment and Infrastructure, One South Van Ness Avenue, 5 th Floor, San Francisco, California, 94103. Pursuant to Government Code, Section 65009, notice is hereby given, if you challenge, in court, the matter described above, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Board of Supervisors at, or prior to, the public hearing. In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made as part of the official public record in this matter, and shall be brought to the attention of the members of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. The California Community Redevelopment Law, Section 33433, on Friday, June 26, 2015, the report was made available for public review. Agenda information relating to this matter will be available for public review on Friday, July 17, 2015. Angela Calvillo, Clerk of the Board

BOS
NOTICE REVIEW

Legislative File No.	150688
	Disposition and Development Agreement - Successor Agency to the San Francisco Redevelopment Agency Land - Transbay 8 Urban Housing, LLC - Transbay Block 8 - $71,000,000
Initial:	Initial:
Date:	June 30, 2015

Publishing Logistics
15-Day Publish

Hearing Date: JUL 20
Notice Must be Submitted: JUL 2
Notice Must be Mailed: N/A
Notice Will Publish: JUL 5 & JUL 12

Office of Community Investment and Infrastructure
(Successor to the San Francisco Redevelopment Agency)

One South Van Ness Avenue
San Francisco, CA 94103
415.749.2400

EDWIN M. LEE, Mayor

Mara Rosales, Chair
Marily Mondejar
Darshan Singh

Tiffany Bohee, Executive Director

June 17, 2015

33433 Report

This report is submitted consistent with the requirements of Section 33433 of the California Health and Safety Code. Specifically, Section 33433 states that before any property that was acquired, in whole or in part, with tax increment funds is sold or leased for development, the sale or lease shall first be approved by the legislative body by resolution after a public hearing. The Board of Supervisors is the legislative body for purposes of Section 33433. The property that is the subject of this report was not acquired with tax increment funds. However, the Redevelopment Plan for the Transbay Redevelopment Project Area ("Redevelopment Plan") requires that the Board of Supervisors shall approve the sale or lease of any property acquired by the Former San Francisco Redevelopment Agency ("Former Agency") or the Office of Community Investment and Infrastructure, as the Successor Agency to the Former Agency ("OCII" or "Successor Agency"), pursuant to the Option Agreement for the Purchase and Sale of Real Property ("Option Agreement") between the Former Agency, the City and County of San Francisco ("City"), and the Transbay Joint Powers Authority ("TJPA") in a manner consistent with the standards and procedures that govern the disposition of property acquired with tax increment funds and that appear in Section 33433 of the California Health and Safety Code.

On April 21, 2015, the Commission on Community Investment and Infrastructure ("CCII") approved a disposition and development agreement between the Successor Agency and Transbay 8 Urban Housing, LLC and Tenderloin Neighborhood Development Corporation ("Development Team"), for the development of a residential project with 404 market-rate units and 150 affordable units on Transbay Block 8. Transbay Block 8 is a 49,673 square foot parcel located on Folsom and Fremont Streets in the Transbay Redevelopment Project Area ("Project Area"). The development program for Block 8 includes (a) a market-rate for-sale residential component consisting of approximately 124 residential units on floors thirty-two to fifty-five of an up to 550-foot residential tower (the "Market-Rate Condo Project"); (b) an "80/20" mixed-income component consisting of approximately 280 market-rate rental units on floors eight to thirty-one and approximately 70 affordable rental units on floors one to seven in the residential tower ("80/20 Project"); (c) an affordable project with approximately 80 rental residential units ("Affordable Project") in a podium building and townhouses along Clementina Street; (d) streetscape improvements including the extension of Clementina Street on the northern edge of the site and a 25-foot wide Folsom Street sidewalk; (e) ground-floor retail space along Folsom Street of approximately 8,345 square feet and a possible grocery store on the basement level; (f) a shared approximately 6,500-square-foot mid-

block open space and paseo; and (g) shared underground parking with approximately 204 stalls. The 70 affordable rental units in the 80/20 Project will be affordable to households earning up to 40% and 50% of Area Median Income ("AMI"), and the 80 rental units in the in the Affordable Project will be affordable to households earning up to 50% of AMI. The Affordable Project will be subsidized by OCII funding. The Block 8 Transbay team was selected by the Successor Agency after a competitive request for proposals ("RFP") was issued in November 2013 and proposals were received from a total of three development teams.

Assembly Bill 812 mandates that a total of 35 percent of all units developed in the Project Area be affordable to low- and moderate-income households. Even though Block 8 will have 27 percent inclusionary affordable units (the combined affordable units in the 80/20 Project and the Affordable Project), the Project Area overall is on target for meeting the 35% mandate.

Pursuant to Section 33433, a copy of the DDA is included with this report as Attachment 1 and both the DDA and this report have been submitted to the Clerk of the Board and made available for public inspection and copying on June 26, 2015, in advance of the date of the first publication of the notice of the public hearing on June 28, 2015. Below is a summary of the agreement, as required by Section 33433, Subsections (2)(B)(i-v):

(2)(B)(i): The cost of the agreement to the agency, including the land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the agency, plus the expected interest on any loans or bonds to finance the agreement.

Block 8 is currently owned by the State Department of Transportation ("Caltrans") and will be transferred to the City and then OCII pursuant to the Option Agreement at no cost, and then to the Development Team pursuant to the DDA. All clearance costs will be paid by the Development Team, pursuant to the DDA, and there are no relocation costs. All improvements will be constructed at the Development Team's cost. The project is required to be part of the Transbay Center District Plan [Mello-Roos] Community Facilities District No. 2014-1 ("**CFD**"), to help pay the costs of constructing the new Transbay Transit Center, the Downtown Rail Extension, and other infrastructure in the Transit Center District Plan area and will be subject to a special tax pursuant to the CFD.

(2)(B)(ii) The estimated value of the interest to be conveyed or leased, determined at the highest and best uses permitted under the plan.

The highest and best use value of Block 8 at the time of the responses to the RFP were received in February 2014 has been estimated by Keyser Marston Associates, Inc. ("KMA") to be $71 million. The estimated value of the interest to be conveyed is the same as the offer by the Development Team. The value is approximately $150,000 per unit in the tower, including the BMR units, and $1,429 per square foot of land area. A memorandum summarizing the highest and best use value calculated by KMA is included with this report as Attachment 2.

(2)(B)(iii) The estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants, and development costs required by the sale or lease. The purchase price or present value of the lease payments which the lessor will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use consistent with the redevelopment plan, then the agency shall provide as part of the summary an explanation of the reasons for the difference.

The purchase price in the DDA for Block 8 is $71 million The purchase price was the highest of the three offers. The price is approximately $150,000 per unit, including BMR units, and $1,429 per square foot of land area. The sale price is not less than the fair market value of the interest to be conveyed at the highest and best use consistent with the Redevelopment Plan, which in this case is residential.

(2)(B)(iv) An explanation of why the sale or lease of the property will assist in the elimination of blight, with reference to all supporting facts and materials relied upon in making this explanation.

Block 8 was formerly occupied by a portion of the Embarcadero Freeway, which was demolished after the 1989 Loma Prieta Earthquake. After the freeway was demolished, Block 8 was a surface parking lot operated by the State of California. Surface parking was identified as an economic indicator of blight in the 2005 Report on the Redevelopment Plan for the Transbay Redevelopment Project, which was prepared as part of the adoption materials for the Board of Supervisors. The section of the Report on the Redevelopment Plan titled "Underutilized Areas and Vacant Lots" on Page V-8 states, "Given the Project Area's density and location in the Financial District, surface parking lots do not maximize the economic and development potential of the lot or area." Block 8 is identified as an "Underutilized Area" on Figure V-3 in the Report on the Redevelopment Plan. The Developer's project on Block 8 will assist in the elimination of blight by converting a surface parking lot/construction staging area into a major office development.

Prepared by: Shane Hart, Transbay project Manager

Attachment 1: Disposition and Development Agreement, April 21, 2015

Attachment 2: Keyser Marston Associates, Inc., Memorandum, June 16, 2015

Attachment 1

Free Recording Requested Pursuant to Government Code Section 27383 at the Request of the Successor Agency to the Redevelopment Agency of the City and County of San Francisco

WHEN RECORDED, MAIL TO:

Successor Agency to the Redevelopment Agency of the City and County of San Francisco
One South Van Ness Avenue, Fifth Floor
San Francisco, CA 94103
Attention: Transbay Redevelopment Project Area

Assessor's Block 3737, Portions of Lots 005, 012, 027
Commonly known as Transbay Block 8

Space Above This Line Reserved for Recorder's Use

ORIGINAL

DISPOSITION AND DEVELOPMENT AGREEMENT

by and between

The Successor Agency to the Redevelopment Agency of the City and County of San Francisco

and

Transbay 8 Urban Housing, LLC, a Delaware limited liability company

and

Tenderloin Neighborhood Development Corporation, a California non-profit public benefit corporation

FOR THE SALE AND DEVELOPMENT OF TRANSBAY BLOCK 8
(ASSESSOR'S BLOCK 3737, PORTIONS OF LOTS 005, 012, AND 027)

Dated as of April 21, 2015

TABLE OF CONTENTS

ARTICLE 1 - CONTRACT TERMS 5

1.01 Successor Agency 5

1.02 Lead Developer 5

1.03 Affordable Developer 5

1.04 Site 5

1.05 Purchase Price 6

1.06 Good Faith Deposit 6

1.07 Intentionally Omitted 7

1.08 Redevelopment Plan and Project Area Declaration of Restrictions 7

1.09 Term of this Agreement/Schedule of Performance 7

1.10 Definitions/Interpretation of Agreement 7

ARTICLE 2 - CONVEYANCE TERMS 7

2.01 Purchase and Development 7

2.02 Escrow 7

2.03 Title 8

2.04 Payment of Purchase Price 10

2.05 Taxes and Assessments 10

2.06 Access and Entry by Developers to the Site/Permit to Enter 10

2.07 Conditions Precedent to Closing 11

2.08 Submission of Evidence of Financing and Project Commitments 13

2.09 Conveyance of Title to the Site and Delivery of Possession 14

ARTICLE 3 - SITE CONDITION; HAZARDOUS MATERIALS INDEMNIFICATION 14

3.01 Prior to Conveyance/Site "As Is" 14

3.02 Hazardous Materials Indemnification 15

3.03 Risk of Loss 16

ARTICLE 4 - CONSTRUCTION OF IMPROVEMENTS 16

4.01 The Improvements 16

4.02 Lead Developer's and Affordable Developer's Construction Obligations 17

4.03 Compliance with Project Approval Documents and Law 17

4.04 Compliance with Redevelopment Requirements/City Requirements 17

4.05 Preparation of Project Approval Documents/Approval of Architect 18

4.06 Submission of Project Approval Documents 18

4.07 Scope of Successor Agency Review/Approval of Lead Developer's Construction 18

4.08 Construction Schedule 19

TABLE OF CONTENTS

4.09 Cost of Lead Developer Construction 19
4.10 Issuance of Building Permits 19
4.11 Delay of Construction Tax Increment Fee 20
4.12 Construction Signs and Barriers 20
4.13 Notice of Termination – Issuance 20
4.14 Right to Reconstruct the Improvements in the Event of Casualty 21
4.15 Intentionally Omitted 21
4.16 Access to Site – Successor Agency 21
4.17 Intentionally Omitted 22
4.18 Off-Site Infrastructure and Improvements Damage 22
4.19 Insurance Requirements 22
ARTICLE 5 - COVENANTS AND RESTRICTIONS *25*
5.01 Covenants 25
5.02 General Restrictions 26
5.03 Restrictions Before Completion 26
5.04 Nondiscrimination 26
5.05 Compliance with Requirements of TIFIA Loan 27
5.06 Effect, Duration and Enforcement of Covenants 27
5.07 No Changes Without Approval 28
5.08 Provisions Surviving Completion of Construction 28
ARTICLE 6 – ANTI-SPECULATION, ASSIGNMENT, AND TRANSFER PROVISIONS .. *29*
6.01 Representation as to Lead Developer 29
6.02 Prohibition Against Transfer of the Site, the Improvements and the Agreement 29
6.03 Effect of Violation 30
ARTICLE 7 - MORTGAGE FINANCING: RIGHTS OF MORTGAGEES *31*
7.01 Mortgagee 31
7.02 Required Provisions of Any Mortgage 31
7.03 Address of Mortgagee 31
7.04 Mortgagee's Right to Cure 31
7.05 Application of Agreement to Mortgagee's Remedies 32
7.06 No Obligation to Construct Improvements or Pay Money Damages 32
7.07 Accommodation of Mortgagees 33
ARTICLE 8 - DEFAULTS AND REMEDIES *33*
8.01 Lead Developer Default 33

TABLE OF CONTENTS

8.02 Affordable Developer Default 34

8.03 Remedies of Successor Agency upon the Occurrence of an Event of Default by the Lead Developer 35

8.04 Remedies of Successor Agency Upon the Occurrence of an Event of Default by the Affordable Developer 37

8.05 Intentionally Omitted 37

8.06 Successor Agency Default 38

8.07 Remedies of Lead Developer and Affordable Developer. 38

8.08 Rights and Remedies Cumulative 38

8.09 Force Majeure/Extensions of Time 39

8.10 Other Rights and Remedies 41

8.11 General 41

ARTICLE 9 - SPECIAL TERMS, COVENANTS AND CONDITIONS *41*

9.01 Mitigation Measures 41

9.02 Proposed Districts 41

9.03 Affordable Housing Requirements 43

9.04 Streetscape Improvements 45

9.05 Shared Open Space 45

9.06 Shared Underground Parking Garage 46

ARTICLE 10 – SUCCESSOR AGENCY EQUAL OPPORTUNITY PROGRAM *46*

ARTICLE 11 – INTENTIONALLY DELETED *48*

ARTICLE 12 - GENERAL PROVISIONS *48*

12.01 Indemnification 48

12.02 Provisions with Respect to Time Generally 48

12.03 Notices 49

12.04 Time of Performance 50

12.05 Attachments/Recitals 50

12.06 Non-Merger in Deed 50

12.07 Headings 50

12.08 Successors and Assigns 51

12.09 Counterparts/Formal Amendment Required 51

12.10 Governing Law 51

12.11 Recordation 51

12.12 Estoppels 51

12.13 Attorneys' Fees 51

TABLE OF CONTENTS

12.14 Further Assurances **52**
12.15 No Personal Liability **52**
12.16 Effective Date **52**
ARTICLE 13 - REFERENCES AND DEFINITIONS ***53***

ATTACHMENTS TO AGREEMENT

Attachment 1	Transbay Final and Conclusive Determination
Attachment 2	Development Program
Attachment 3-A	Current Site Configuration
Attachment 3-B	Site Plan
Attachment 3-C	Intentionally Omitted
Attachment 4	Site Legal Description
Attachment 5	Schedule of Performance
Attachment 6	Scope of Development
Attachment 7	Design Review and Document Approval Procedures
Attachment 8	Permit to Enter
Attachment 9	Mitigation Measures
Attachment 10	Successor Agency Equal Opportunity Program
Attachment 11-A	Form of Grant Deed
Attachment 11-B	Form of Caltrans Deed
Attachment 11-C	Form of Caltrans Relinquishment
Attachment 11-D	Caltrans Letter Agreement
Attachment 12	Form of Notice of Exclusive Right of Repurchase
Attachment 13-A	Form of Partial Notice of Termination
Attachment 13-B	Form of Final Notice of Termination
Attachment 14	Form of Declaration of Site Restrictions
Attachment 15	Intentionally Omitted
Attachment 16	Form of Air Rights Lease
Attachment 17	Mello-Roos Special Tax District Rate and Method of Apportionment (RMA)
Attachment 18	Intentionally Omitted
Attachment 19-A	ALTA survey
Attachment 19-B	Preliminary Title Report
Attachment 20	Form of Deed Restriction re Taxes
Attachment 21	Form of Declaration of Affordability Restrictions
Attachment 22	MOHCD Underwriting Guidelines
Attachment 23	MOHCD Developer Fee Policy-Tax Credit Projects

DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (the "**Agreement**" or "**DDA**") is entered into as of April 21, 2015, by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body organized and existing under the laws of the State of California (the "**Successor Agency**" or "**OCII**"), Transbay 8 Urban Housing, LLC, a Delaware limited liability company (the "**Lead Developer**" or "**Related**"), and Tenderloin Neighborhood Development Corporation, a California non-profit public benefit corporation (the "**Affordable Developer**" or "**TNDC**") (collectively, the "**Parties**"). (Each of Related and TNDC is sometimes referred to as a "**Developer**" and both Developers are referred to as "**Developers**" or "**Development Team**"). The Parties agree as follows:

RECITALS

A. In furtherance of the objectives of the Community Redevelopment Law of the State of California, the Redevelopment Agency of the City and County of San Francisco (the "**Former Agency**") undertook a program to redevelop and revitalize blighted areas in San Francisco and in connection therewith adopted a redevelopment project area known as the Transbay Redevelopment Project Area (the "**Project Area**").

B. The Former Agency, acting through the Board of Supervisors of the City and County of San Francisco (the "**Board of Supervisors**"), approved a Redevelopment Plan for the Project Area by Ordinance No. 124-05, adopted on June 21, 2005 and by Ordinance No. 99-06, adopted on May 9, 2006 (the "**Redevelopment Plan**"). The Redevelopment Plan was filed in the Office of the Recorder of the City and County of San Francisco (the "**Official Records**").

C. On December 13, 2006, and in furtherance of the Redevelopment Plan, the Former Agency caused a Declaration of Restrictions affecting all of the Project Area to be recorded in the Official Records, in Book B-103 of Official Records at page 210, as Document No. P-30087 (the "**Project Area Declaration of Restrictions**").

D. Pursuant to the Redevelopment Plan and the Transbay Redevelopment Project Tax Increment and Sales Proceeds Pledge Agreement (the "**Pledge Agreement**") between the Former Agency, the Transbay Joint Powers Authority (the "**TJPA**"), and the City and County of San Francisco (the "**City**"), land sale and net tax increment revenue generated by the parcels in the Project Area that are currently or formerly owned by the State of California (the "**State**") has been pledged to the TJPA to help pay the cost of building the Transbay Transit Center. The current or formerly State-owned parcels include the development sites on Blocks 2 through 9, 11, and 12, and Parcels F, M and T.

E. Pursuant to Section 5027.1 of the California Public Resources Code, also known as Assembly Bill 812 ("**AB 812**"), and in compliance with Community Redevelopment Law as amended by Redevelopment Dissolution Law (as defined below), 35 percent of all housing units developed in the Project Area must be affordable to low- or moderate-income households, as defined by AB 812 (the "**Affordable Housing Program**"). As required pursuant to the Implementation Agreement (as defined below), most of these units will be produced with assistance from the Low- and Moderate-Income Housing Fund ("**LMIHF**"), but the Redevelopment Plan and the San Francisco Planning Code also require contributions from private developers in the form of on-site affordable housing.

F. In 2003, the TJPA, the City, and the State, acting by and through its Department of Transportation ("**Caltrans**"), entered into a Cooperative Agreement, which sets forth the process for the transfer of the State-owned parcels to the City and the TJPA (the "**Cooperative Agreement**"). In 2005, the

TJPA and the Former Agency entered into the Transbay Redevelopment Project Implementation Agreement (the "**Implementation Agreement**") which requires the Successor Agency to prepare and sell certain of the formerly State-owned parcels and to construct and fund new infrastructure improvements (such as parks and streetscapes) and to meet affordable housing obligations. Subsequently, in 2008, the TJPA, the City and the Former Agency entered into an Option Agreement for the Purchase and Sale of Real Property (as amended, the "**Option Agreement**"), which sets forth the process for the transfer of certain of these parcels to the Former Agency to facilitate the sale of the parcels to private developers; in 2015, the TJPA, the City, and the Successor Agency entered into a first amendment to the Option Agreement.

G. In 2010, the TJPA entered into a Transportation Infrastructure Finance and Innovation Act Loan Agreement (as amended, the "**TIFIA Loan**") with the United States Department of Transportation ("**USDOT**"), which pledges certain property tax increment revenue attributable to certain State-owned parcels (the "**Net Tax Increment**") as security for the payment of a loan under the federal TIFIA program for the Transbay Transit Center project; in 2014, the TJPA and the TIFIA Loan lender entered into two amendments to the TIFIA Loan. On January 22, 2015, the TJPA entered into an interim financing with Goldman Sachs Bank USA and Wells Fargo Bank, National Association on parity with the TIFIA Loan and secured, in part, by the Net Tax Increment.

H. On February 1, 2012, the Former Agency was dissolved pursuant to the provisions of California State Assembly Bill No. 1X 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) ("**AB 26**"), codified in relevant part in California's Health and Safety Code Sections 34161 – 34168 and upheld by the California Supreme Court in California Redevelopment Assoc. v. Matosantos, No. S194861 (Dec. 29, 2011). On June 27, 2012, AB 26 was subsequently amended in part by California State Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) ("**AB 1484**"). (Together, AB 26 and AB 1484 are referred to as "**Redevelopment Dissolution Law**.")

I. Pursuant to Redevelopment Dissolution Law, all of the Former Agency's assets (other than housing assets) and obligations were transferred to the Successor Agency. Some of the Former Agency's housing assets were transferred to the City, acting by and through the Mayor's Office of Housing and Community Development ("**MOHCD**"), which is the City's designated Successor Housing Agency under Health and Safety Code Section 34176. The Redevelopment Plan, Development Controls (defined below), and other relevant Project Area documents remain in effect and OCII retains all affordable housing obligations in the Project Area. Under the Redevelopment Plan and California Health & Safety Code Section 33433, the Board of Supervisors retains authority to hold a public hearing and approve the sale or lease of certain properties acquired with tax increment moneys.

J. Under Redevelopment Dissolution Law, with approval from a successor agency's oversight board and the State of California's Department of Finance ("**DOF**"), a successor agency may continue to implement "enforceable obligations"—existing contracts, bonds, leases, etc.—which were in place prior to the suspension of redevelopment agencies' activities on June 28, 2011, the date that AB 26 was approved. Redevelopment Dissolution Law defines "enforceable obligations" to include bonds, loans, judgments or settlements, and any "legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy," (Cal. Health & Safety Code § 34171(d)(1)(E)) as well as certain other obligations, including but not limited to requirements of state law and agreements made in reliance on pre-existing enforceable obligations. The Implementation Agreement, Pledge Agreement and Option Agreement meet the definition of "enforceable obligations" under Redevelopment Dissolution Law.

K. AB 1484 authorizes successor agencies to enter into new agreements if they are "in compliance with an enforceable obligation that existed prior to June 28, 2011." Cal. Health & Safety Code § 34177.5 (a). Under this limited authority, a successor agency may enter into contracts, such as this DDA,

if a pre-existing enforceable obligation requires that action. See Cal. Health & Safety Code § 34167(f) (providing that Redevelopment Dissolution Law does not interfere with an agency's authority under enforceable obligations to "enforce existing covenants and obligations, or . . . perform its obligation."). This Agreement, providing for the transfer of certain formerly State-owned parcels to third parties, with the payment of the proceeds to the TJPA, resulting in the development of market-rate and affordable housing, is part of the Successor Agency's compliance with the pre-existing enforceable obligations under the Implementation Agreement, AB 812, and the Option Agreement.

L. On April 15, 2013, DOF issued a Final and Conclusive Determination for the Pledge Agreement, the Implementation Agreement, and the Affordable Housing Program funded by LMIHF for Transbay. A copy of DOF's Transbay Final and Conclusive Determination is attached as Attachment 1. On September 9, 2013, DOF confirmed its Final and Conclusive Determination and stated that "any sale, transfer, or conveyance of property related to this project, and as outlined in the project documents, is authorized." Email, J. Howard, Doff Assistant Program Budget Manger, to T. Bohee, OCII Executive Director.

M. As of the date of this Agreement, Caltrans owns the entirety of Lots 005, 012, and 027 of Assessor's Block 3737, as shown on Attachment 3-A ("**Current Site Configuration**"). Consistent with the letter agreement ("**Caltrans Letter Agreement**"), attached hereto as Attachment 11-D, Redevelopment Plan Block 8 ("**Block 8**") is comprised of those portions of Lots 005, 012, and 027 referred to in the Cooperative Agreement as Parcel C" ("**Parcel C**" "). The area of Block 8 is generally shown on the Site Plan attached as Attachment 3-B and more particularly described in the Site Legal Description attached as Attachment 4. The land that makes up Block 8 and Parcel C" is the same, and such land is defined herein as the "**Site**".

N. On November 20, 2013, the Successor Agency complied with its obligations under the Implementation Agreement by issuing a Request for Proposals (the "**RFP**") from development teams to design and develop a high-density, mixed-income residential project on Block 8.

O. Three proposals were received and deemed to meet the minimum threshold requirements defined in the RFP. Based on evaluation of the written proposals, as well as interviews with each team, the proposal from Related, TNDC, OMA*AMO Architecture P.C., Conger Moss Guillard Landscape Architecture, and Fougeron Architecture was scored the highest by a selection panel comprised of Successor Agency staff, City staff, and a member of the Transbay Citizens Advisory Committee. This proposal included a purchase price of $72,000,000 payable at the transfer of title of Block 8 to the Lead Developer. The proposal achieves the affordability goals set out in the RFP of 27 percent of the total units, with 17 percent subsidized by OCII and 10 percent subsidized by the Lead Developer.

P. On June 17, 2014, the Commission on Community Investment and Infrastructure (the "**Commission**") unanimously approved by Resolution No. 45-2014 an Exclusive Negotiation Agreement (the "**ENA**") between the Development Team and the Successor Agency.

Q. The development program for Block 8, which conforms to the goals and requirements of the Redevelopment Plan, the Development Controls and Design Guidelines for the Transbay Redevelopment Project (the "**Development Controls**"), and the Transbay Redevelopment Project Area Streetscape and Open Space Concept Plan (the "**Streetscape Plan**"), includes the following: (a) a market-rate for-sale residential component consisting of approximately 124 residential units on floors thirty-two to fifty-five of an up to 550-foot residential tower (the "**Market-Rate Condo Project**"); (b) an "80/20" mixed-income component consisting of approximately 280 market-rate rental units on floors eight to thirty-one and approximately 70 affordable rental units on floors one to seven in the residential tower ("**80/20 Project**"); (c) an affordable project with approximately 80 rental residential units ("**Affordable**

Project") in a podium building and townhouses along Clementina Street; (d) streetscape improvements including the extension of Clementina Street on the northern edge of the Site and the 25-foot wide Folsom Street sidewalk; (e) ground-floor retail space along Folsom Street of approximately 8,345 square feet and a possible grocery store on the basement level; (f) a shared approximately 6,500-square-foot mid-block open space and paseo; and (g) shared underground parking with approximately 204 stalls. Items (a) through (g) are collectively referred to as the "**Improvements**" or the "**Project.**"

R. Consistent with the Development Controls and, unless otherwise stated, the Development Team will design and construct the Affordable Project and maintain its affordability for 99 years. OCII will provide a subsidy of up to $200,000 per unit for the Affordable Project. Any additional subsidy required to complete these units after all non-OCII affordable housing funding sources have been secured will be funded by the Lead Developer.

S. Prior to the Closing Date (as defined below), Lead Developer intends to prepare and submit for approval by the City a tentative Parcel Map application to merge all of the portions of the existing parcels that are included in the Site and document the boundaries of the Site (the "**Parcel Map**"). The final Parcel Map will be prepared by Lead Developer and recorded at or after the Close of Escrow, following conveyance of the Site to Lead Developer. This process is defined as the "**Parcelization 1 of the Site.**"

T. On the Closing Date, the Site will be transferred first, from the State to the City pursuant to the Cooperative Agreement, then, second, from the City to OCII pursuant to the Option Agreement, and then, third from the Successor Agency to Lead Developer in accordance with this Agreement. After the Closing Date, Lead Developer will apply for a tentative parcel or tract map subdividing the Site into at least two parcels: (i) an airspace parcel for the Affordable Project (defined as the "**Affordable Air Rights Parcel**"), and (ii) the remainder of the Site, which may consist of one or more parcels, as described in Section 1.04 below. This process is defined as the "**Parcelization 2 of the Site.**" All parcels other than the Affordable Air Rights Parcel are collectively defined as the "**Remainder Parcel**". Subsequently, the Lead Developer will convey the Affordable Air Rights Parcel back to the Successor Agency as described in Section 2.03(e) below.

U. After conveyance of the Affordable Air Rights Parcel to the Successor Agency as described in Recital T, the Successor Agency will enter into a lease of the Affordable Air Rights Parcel with the Affordable Developer (the "**Air Rights Lease**"). When construction of the Improvements located on the Affordable Air Rights Parcel is complete and the Successor Agency has issued a Notice of Termination with respect to such Improvements, the Successor Agency will assign the title to the Affordable Air Rights Parcel and the lessor's interest in the Air Rights Lease to MOHCD, as the housing successor under Redevelopment Dissolution Law.

V. The Successor Agency has contracted with the San Francisco County Transportation Authority ("**SFCTA**") to complete the Fremont Street off-ramp reconfiguration work described in the Project Plans for Construction on State Highway in the City and County of San Francisco at Fremont Street (Project ID 0400020169) (dated April 9, 2014) (the "**Off-Ramp Work**") pursuant to State of California Department of Transportation encroachment permit (Permit No. 0414-NMCO687) (dated April 30, 2014) (the "**Encroachment Permit**").

W. The parties wish to enter into this Agreement to complete the sale of the Site to the Lead Developer and authorize construction of the Improvements on the Site, as defined below.

ARTICLE 1 - CONTRACT TERMS

1.01 Successor Agency

The Successor Agency, commonly known as the Office of Community Investment and Infrastructure ("**OCII**"), is a public body organized and existing under the laws of the State of California, and includes any successor public agency designated by or pursuant to law. Pursuant to the Implementation Agreement and the Option Agreement, the Successor Agency has the duty to prepare and sell Parcel C''.

1.02 Lead Developer

The Lead Developer is Transbay 8 Urban Housing, LLC, a Delaware limited liability company, of which Related California Urban Housing, LLC currently is the sole member.

1.03 Affordable Developer

The Affordable Developer is Tenderloin Neighborhood Development Corporation ("**TNDC**"), a California non-profit public benefit corporation and any successors and assigns contemplated by this Agreement, including, without limitation, (a) a limited partnership or other entity formed by the Affordable Developer (as managing general partner), Lead Developer (as administrative general partner) and the low income housing tax credit investor for the Affordable Air Rights Parcel (defined herein as the "**LIHTC Limited Partnership**"), (b) a limited partnership or other entity controlled by the Lead Developer, which may also include as partners or members one or more low income housing tax credit and/or market-rate equity investors for the 80/20 Project or solely for the affordable units within the 80/20 Project (the "**80/20 Entity**"), or (c) as otherwise contemplated by Section 6.02 or otherwise approved by the Successor Agency in its reasonable discretion.

1.04 Site

The "**Site**" is the real property located in the Project Area on Folsom Street between First and Fremont Streets as shown on the Site Plan (Attachment 3-B) and described in the Site Legal Description (Attachment 4) and contains approximately 49,673 square feet, including approximately 9,625 feet for the extension of Clementina Street. It is comprised of those portions of Lots 005, 012, and 027 of Assessor's Block 3737, referred to in the Cooperative Agreement as Parcel C'' and in the Redevelopment Plan as Block 8.

Parcelization 1 of the Site is expected to be accomplished as follows: Prior to the Closing Date (as defined below), Lead Developer intends to apply for the tentative Parcel Map defining the boundaries of the Site as generally shown on the Site Plan (Attachment 3-B). OCII shall review and approve (or provide reasonably detailed comments if OCII does not approve) the tentative Parcel Map application in its capacity as the City's entitlement agency for the Project within five (5) business days after such application is submitted by Lead Developer, which submittal will occur at least five (5) business days prior to the Closing Date. The final Parcel Map will be prepared by Lead Developer and recorded at or after the Close of Escrow, following conveyance of the Site to Lead Developer.

Parcelization 2 of the Site shall be accomplished as follows: After the Close of Escrow, the Lead Developer shall apply for a parcel or tract map subdividing the Site into at least two parcels, the Affordable Air Rights Parcel and the Remainder Parcel, in a configuration proposed by the Lead Developer and subject to approval by the Successor Agency in its reasonable discretion. Lead Developer shall

complete Parcelization 2 of the Site on or before the closing of Lead Developer's Construction Loan (as defined below).

1.05 Purchase Price

The purchase price for the Site shall be SEVENTY-ONE MILLION AND 00/100 DOLLARS ($71,000,000) (the **"Purchase Price"**).

The Lead Developer shall deposit the Purchase Price, in cash or immediately available funds, into Escrow on the Closing Date. The Purchase Price shall be paid in one lump sum on the Closing Date simultaneously with transfer of title to the entire Site to Lead Developer. The Purchase Price shall be paid at Close of Escrow into the trust account (the **"Trust Account"**) established by the TJPA, which complies with Section III, Subsection G of the Cooperative Agreement.

The Lead Developer also shall pay for any costs associated with this transaction, either directly or through reimbursement of any related Successor Agency costs incurred in excess of the amount contributed by Lead Developer under Section 3 of the ENA or third party costs, including, but not limited to, title report cost, title insurance premiums and endorsement charges, escrow fees, surveys, environmental review, parcel mapping, lot line adjustments, quiet title actions, permits, and inspections (collectively, (**"Developer Transaction Costs"**).

1.06 Good Faith Deposit

Within the later of thirty (30) days after the Effective Date of this Agreement, as defined in Section 12.16, or five (5) business days after the deposit of the Caltrans Deed with the Escrow Agent as described in Section 2.07(a)(iii), the Lead Developer shall deposit into Escrow a good faith deposit in the amount of TWO MILLION AND 00/100 DOLLARS ($2,000,000) (the **"Good Faith Deposit"**) in cash or immediately available funds. The Lead Developer and the Successor Agency shall submit escrow instructions detailing how and when the Good Faith Deposit can be drawn and invested during the Escrow period. If the Close of Escrow occurs, the Good Faith Deposit shall be applied to the Purchase Price and deposited into the Trust Account at the Close of Escrow. The Good Faith Deposit shall be fully non-refundable other than in the event of the failure of the Close of Escrow to occur solely due to the failure of a Developer Condition as defined in Section 2.07(a); in such case, the Good Faith Deposit shall be immediately returned to Lead Developer. None of the ENA Deposit or any other amounts paid by Lead Developer during the ENA Term shall be credited against the Good Faith Deposit or otherwise refunded.

THE PARTIES HAVE AGREED THAT SUCCESSOR AGENCY'S ACTUAL DAMAGES, IN THE EVENT OF A FAILURE TO CONSUMMATE THE TRANSFER OF THE SITE FOR ANY REASON OTHER THAN FOR FAILURE OF A DEVELOPER CONDITION WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. AFTER NEGOTIATION, THE PARTIES HAVE AGREED THAT, CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, THE AMOUNT OF THE GOOD FAITH DEPOSIT IS A REASONABLE ESTIMATE OF THE DAMAGES THAT SUCCESSOR AGENCY WOULD INCUR IN SUCH EVENT. BY PLACING ITS INITIALS BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

INITIALS: Successor Agency: _____ Lead Developer: _____

1.07 Intentionally Omitted

1.08 Redevelopment Plan and Project Area Declaration of Restrictions

The Redevelopment Plan and the Project Area Declaration of Restrictions are the Redevelopment Plan and Project Area Declaration of Restrictions defined in the Recitals to this Agreement, as the same may be amended and extended from time to time. Development on the Site is subject to all the terms and conditions of the Redevelopment Plan and the Project Area Declaration of Restrictions.

1.09 Term of this Agreement/Schedule of Performance

(a) The term of this Agreement will begin on the Effective Date and continue until the earlier of termination in accordance with its terms or Successor Agency's issuance and recordation of the final Notice of Termination, as provided in Section 4.13 (the "**Term**"), subject to the surviving provisions set forth in Section 5.

(b) Development Team and Successor Agency will perform their respective obligations under this Agreement in accordance with the Schedule of Performance (Attachment 5), subject to Section 8.09 (Force Majeure) and Sections 2.07(a) (Developer Conditions) and 2.07(b) (Agency Conditions).

1.10 Definitions/Interpretation of Agreement

(a) Terms are defined in Article 13 or have the meanings given them when first defined.

(b) Whenever an 'Attachment' is referenced, it means an attachment to this Agreement unless otherwise specifically identified. All such Attachments are incorporated herein. Whenever a section, article or paragraph is referenced, it is a reference to this Agreement unless otherwise specifically referenced.

ARTICLE 2 - CONVEYANCE TERMS

2.01 Purchase and Development

Subject to all of the terms, covenants and conditions of this Agreement, and Community Redevelopment Law as amended by Redevelopment Dissolution Law, the Successor Agency agrees to sell and convey, or cause to be sold and conveyed, the Site to Lead Developer for the Purchase Price, and Lead Developer agrees to purchase the Site and pay the Purchase Price to Successor Agency for deposit into the Trust Account. In accordance with this Agreement, Lead Developer and Affordable Developer, as applicable, shall develop, construct, maintain and operate the Improvements thereon.

2.02 Escrow

(a) Open, Close of Escrow. On or before the date specified therefore in the Schedule of Performance, Attachment 5, Lead Developer shall establish an escrow with Chicago Title Company, or such other reputable title company doing business in the City and County of San Francisco as may be selected by Lead Developer and approved by Successor Agency (the "**Title Company**" or "**Escrow Agent**") and shall notify Successor Agency in writing of such escrow (the "**Escrow**"). At least five (5) business days prior to the Closing Date (as defined in Section 2.02(b) below), the Successor Agency and the Lead Developer each shall provide escrow instructions to the Title Company as shall be necessary and

consistent with this Agreement governing close of escrow; at the same time, providing copies to each other. The Successor Agency and Lead Developer agree to execute such additional or supplemental instructions as may be necessary to enable the Escrow Agent to comply with the terms of this Agreement and close the transaction; provided, however, that in the event of any conflict between the provisions of this Agreement and any additional supplementary instructions, the terms of this Agreement shall control. Not later than the day immediately preceding the Closing Date, the parties shall each deposit into Escrow all documents and instruments that such party is obligated to deposit into Escrow in accordance with this Agreement. "**Close of Escrow**" shall mean the closing of the escrow for the Lead Developer's purchase of the entire Site pursuant to this Agreement.

(b) Closing Date. The date on which Close of Escrow occurs (the "**Closing Date**") shall be no later than October 1, 2015 (as may be extended as provided below, "**Target Closing Date**"). In no event shall the Closing Date be later than October 15, 2015 (as may be extended as provided below, "**Outside Closing Date**"); provided, however, that the Target Closing Date and Outside Closing Date shall be extended (i) for Force Majeure as set forth in Section 8.09(a)(i) herein, (ii) for delays caused by the inability or refusal, despite all Agency Conditions (other than the condition in Section 2.07(b)(xi) being satisfied, of the Successor Agency to timely deliver title to the entire Site as described in Section 2.03, (iii) by one (1) day for each day of delay in the Successor Agency's timely delivery of the Conveyance Notice (as defined in Section 2.03(d)), and (iv) as reasonably necessary to satisfy the Developer Conditions and the Agency Conditions; provided that the Target Closing Date and Outside Closing Date shall not be extended for any other reason. If Close of Escrow does not occur on or before the Outside Closing Date for any reason, then the Successor Agency shall have the right as its sole remedy (but not the obligation), to elect to terminate this Agreement and retain the Good Faith Deposit.

(c) Title, Escrow and Closing Costs. Lead Developer shall pay to the Title Company or the appropriate payee thereof all title report costs; title insurance premiums and endorsement charges as requested by Lead Developer; recording fees; and any escrow fees in connection with the conveyance of the Site to Lead Developer.

2.03 Title

(a) The escrow instructions shall provide that, upon the Close of Escrow, the Title Company shall provide and deliver to Lead Developer or be irrevocably committed to issue to Lead Developer an ALTA owner's title insurance policy (the "**Title Policy**") issued by the Title Company in the amount of the Purchase Price, at the sole cost and expense of Lead Developer, insuring that fee simple title to the Site is vested in the Lead Developer, without any liens, encumbrances, or other matters affecting title except for the following (the "**Approved Title Conditions**"):

(1) all matters specifically identified in the January 26, 2015 ALTA survey of the Site prepared for Lead Developer by Martin M. Ron Associates, Inc., attached hereto as Attachment 19-A;

(2) all exceptions listed in Schedule B of the preliminary title report dated March 18, 2015, attached hereto as Attachment 19-B;

(3) any title exception related to compliance with the Subdivision Map Act or the Destroyed Land Records Relief Law (the "**McEnerney Act**"); and

(4) any other matters approved in writing by Lead Developer.

Lead Developer shall be entitled to request that the Title Company provide such endorsements (or amendments) to the Title Policy as Lead Developer may reasonably require, provided that the same shall (a) be at no cost to Successor Agency, (b) impose no material or non-customary additional liability on Successor Agency, and (c) not cause a delay in the Closing.

(b) Notwithstanding the foregoing, Lead Developer shall bear all cost and responsibility for any required compliance with the Subdivision Map Act, the McEnerney Act, the San Francisco Building and Fire Codes, and all other federal, state, and local laws related to the development of the Site.

(c) Successor Agency shall cooperate with Lead Developer to secure the Title Policy by providing surveys and engineering studies in its possession or control, if any, at no cost to Successor Agency and without warranty of any kind, which relate to or affect the condition of title. Successor Agency shall also execute a commercially reasonable form of owner's affidavit, as required by the Title Company. The responsibility of Successor Agency assumed by this paragraph is limited to providing such surveys and engineering studies, if any. Lead Developer shall be responsible for securing any other surveys and engineering studies at its sole cost and expense.

(d) At the Close of Escrow, Successor Agency shall convey to Lead Developer fee simple title to Parcel C'' by the Grant Deed, in substantially the form attached hereto as Attachment 11-A (**"Grant Deed"**), free and clear of any liens, encumbrances and other matters affecting title except for the Approved Title Conditions. No later than thirty (30) days prior to the Closing Date, Successor Agency shall deliver to Lead Developer written notice representing and warranting to Lead Developer that (i) Successor Agency then has the contractual right to acquire fee title to the entire Site, (ii) on or prior to the Closing Date, Successor Agency will acquire and convey to Lead Developer fee title to the entire Site by Grant Deed subject only to conditions that will be satisfied by Development Team's performance of its obligations under this Agreement that are required to be performed prior to the Closing Date, and (iii) Successor Agency then has obtained all necessary approvals from DOF and pursuant to Redevelopment Dissolution Law in order to convey the Site, together with supporting documentation or other evidence that demonstrates, to the reasonable satisfaction of Lead Developer, the accuracy of the representations and warranties listed in clauses (i) and (iii) above (such notice and documentation or evidence collectively, the **"Conveyance Notice"**).

(e) Following the Closing Date, Lead Developer shall control and pursue Parcelization 2 of the Site pursuant to Section 1.04. Upon completion of Parcelization 2 of the Site, Lead Developer shall convey the Affordable Air Rights Parcel to the Successor Agency without any encumbrances except the Approved Title Conditions (to the extent applicable to the Affordable Air Rights Parcel), the REA (as defined below), those encumbrances required for the construction or operation of the Project, and those encumbrances approved in writing by the Successor Agency. Concurrent with the conveyance of the Affordable Air Rights Parcel: (i) Successor Agency and Affordable Developer shall execute the Air Rights Lease, substantially in the form attached hereto as Attachment 16, and (ii) the parties shall cause to be executed and recorded covenants, conditions and restrictions and reciprocal easements in forms prepared by Development Team and approved by the Successor Agency in its reasonable discretion (collectively, the **"Reciprocal Easement Agreement"** or **"REA"**). Provided, however, that Parcelization 2 of the Site, the conveyance of the Affordable Air Rights Parcel, the execution of the Air Rights Lease, and the execution and recordation of the REA shall occur at or prior to the closing of Lead Developer's construction loan for the Improvements (the **"Construction Loan"**).

(f) Intentionally Omitted.

(g) **"Ownership Parcel(s)"** shall mean, with respect to each Developer, the portion of the Site and Improvements that is then owned by such Developer, such that (i) prior to Parcelization 2 of the Site, the entire Site shall be Lead Developer's Ownership Parcel, (ii) after Parcelization 2 of the Site, Affordable Developer's Ownership Parcel shall be the Affordable Project, and Lead Developer's Ownership Parcel(s) shall be the Remainder Parcel, and (iii) after any Transfer (as defined in Section 6.02 below), the Phase(s) (as defined in Section 4.08 below) or other Portion (as defined in Section 5.03 below) that is Transferred shall be the Ownership Parcel(s) of the successor to the applicable Developer's rights under this Agreement with respect to such Phase(s) or Portion(s).

2.04 Payment of Purchase Price

The Purchase Price shall be deposited by the Lead Developer into Escrow in cash or immediately available funds on the Closing Date. The Successor Agency shall deposit, or cause to be deposited, the Grant Deed into Escrow no later than twenty-four (24) hours prior to the Closing Date. The Good Faith Deposit shall be deposited into Escrow and dispersed to Successor Agency or Lead Developer, as appropriate, in accordance with Sections 1.06.

2.05 Taxes and Assessments

(a) Ad valorem taxes and assessments levied, assessed or imposed from and after Close of Escrow shall be the responsibility of the Lead Developer.

(b) Consistent with the TIFIA Loan, Successor Agency shall record a deed restriction for the term of the TIFIA Loan that the Site will not be used, in whole or in part, by any entity or for a purpose that will result in an exemption from the payment of real estate taxes being granted in any amount, without the prior written consent of the lender under the TIFIA Loan, with the exception of the following: 1) property that is used for public infrastructure and other public facilities, and 2) property that is used for the production of affordable housing, as contemplated by the Redevelopment Plan (**"Deed Restriction re Taxes"**). The Deed Restriction re Taxes shall be substantially in the form of Attachment 20. Notwithstanding anything to the contrary in this Agreement, Successor Agency acknowledges and agrees that the Affordable Project and the BMR Units (defined below) within the 80/20 Project may be eligible for, and Lead Developer and/or Affordable Developer may apply for pursuant to California Revenue and Taxation Code Section 214(g) and the then applicable California State Board of Equalization Property Tax Rules, the welfare exemption.

2.06 Access and Entry by Developers to the Site/Permit to Enter

(a) The Successor Agency represents and warrants to Lead Developer that it has furnished to Lead Developer copies of all existing surveys, environmental reports, inspection reports, and any other writings or data pertaining to the physical condition of the Site which are in the Successor Agency's possession or control. The Successor Agency shall assist the Lead Developer in getting any such reports or data in the possession and control of the TJPA.

(b) Prior to obtaining the fee title interest in the Site at Close of Escrow, Developers and their representatives shall have the right of access to and entry upon the Site, from time to time and at all reasonable times, for the purpose of obtaining data and making surveys and tests, including site tests and soil borings, necessary to carry out the purposes of this Agreement. Successor Agency acknowledges that Lead Developer has obtained a Permit from Caltrans for entry onto Parcel C'', a copy of which is attached to this Agreement as Attachment 8 (the **"Permit to Enter"**) which allows entry onto Parcel C'' during the term of such permit.

2.07 Conditions Precedent to Closing

(a) Conditions to Lead Developer's Obligation to Close. The following are conditions to Lead Developer's obligations to the Close of Escrow (the "**Developer Conditions**"), to the extent not expressly waived by Lead Developer:

(i) There shall not be an Event of Default (as defined in Section 8.06) by Successor Agency, that would have a material adverse effect on the value of or financing for the purchase or construction of the Site, or on the construction of the Improvements (including, without limitation, timing, price or design of the Improvements), or on the use of all or any portion of the Site;

(ii) Successor Agency shall have delivered the Conveyance Notice no later than thirty (30) days prior to the Closing Date, and shall have timely performed all other obligations set forth in the Schedule of Performance that are required to be performed by Successor Agency prior to the Closing Date;

(iii) Within five (5) business days after the Effective Date of this Agreement, Successor Agency shall have caused to be deposited with the Title Company an executed and acknowledged Director's (Quitclaim) Deed conveying Parcel C'' from the State to the City in substantially the form attached hereto as Attachment 11-B (the "**Caltrans Deed**"), together with escrow instructions from Caltrans to the Escrow Agent that provide that the Escrow Agent is authorized to record the Caltrans Deed in the Official Records immediately following, and subject only to, the deposit into the Trust Account at Close of Escrow of the Purchase Price. On or before Closing, Successor Agency shall have caused to be deposited with Title Company an executed and acknowledged Relinquishment of Power of Termination for Parcel C'' in substantially the form attached hereto as Attachment 11-C (the "**Caltrans Relinquishment**"), together with escrow instructions from Caltrans to the Escrow Agent that provide that the Escrow Agent is authorized to record the Caltrans Relinquishment in the Official Records immediately following, and subject only to, the deposit into the Trust Account at Close of Escrow of the Purchase Price;

(iv) The Title Company shall be prepared to issue the Title Policy to Lead Developer, subject only to the Approved Title Conditions and in a form reasonably acceptable to Lead Developer in accordance with Section 2.03(a), (b), and (c);

(v) Successor Agency shall have delivered, or caused to be delivered, to Lead Developer and the Title Company all instructions and documents to be delivered by Successor Agency at Close of Escrow pursuant to the terms and provisions hereof;

(vi) Successor Agency shall have executed, acknowledged and deposited with the Title Company the Grant Deed in substantially the form of Attachment 11-A.

(vii) Intentionally Omitted;

(viii) Successor Agency shall have instructed the Title Company to consummate the Escrow as provided in Section 2.02;

(ix) The Commission shall have approved the DDA and Schematic Design drawings;

(x) The Board of Supervisors shall have held the public hearing and approved the sale of the Site under California Health & Safety Code Section 33433;

(xi) Intentionally Omitted;

(xii) All Off-Ramp Work on the Site performed by the SFCTA shall be complete as evidenced by the close-out of the Encroachment Permit by Caltrans; and

(xiii) There shall be no litigation filed or threatened (excluding any litigation initiated by Lead Developer or by an entity under Lead Developer's control, and excluding litigation that challenges the validity or enforcement of Transbay Transit Center Community Facilities District 2014-1) that affects title to the Site, arises out of or relates to the physical condition of the Site, affects or may affect Lead Developer's ability to finance the purchase of the Site, affects or may affect the Development Team's ability to finance, build or market the Improvements, challenges the actions of Successor Agency or TJPA relating to the Site or this Agreement, or challenges or otherwise relates to the Development Team's right to occupy the Site.

(b) Conditions to Successor Agency's Obligation to Close. The following are conditions to the Successor Agency's obligation to the Close of Escrow (the "**Agency Conditions**") to the extent not expressly waived by Successor Agency:

(i) There shall not be an Event of Default (as defined in Section 8.01) by Lead Developer;

(ii) If an Event of Default (as defined in Section 8.02) by Affordable Developer then exists, and if Successor Agency has elected to cause a substitute to replace the Affordable Developer pursuant to Successor Agency's remedy in Section 8.04, then such replacement process must be in process and proceeding in accordance with Section 8.04;

(iii) Lead Developer shall have deposited the Purchase Price in cash or immediately available funds into Escrow for deposit into the Trust Account under Section 1.05, and Lead Developer shall have deposited the Good Faith Deposit in accordance with Section 1.06 no later than the date specified in the Schedule of Performance;

(iv) Development Team shall have timely performed all obligations set forth in the Schedule of Performance that are required to be performed by Development Team prior to the Closing Date;

(v) Successor Agency shall have received all items referred to in Section 2.08(a) with respect to the acquisition financing, to the extent therein provided;

(vi) Lead Developer shall have instructed the Title Company to consummate the Escrow as provided in Section 2.02;

(vii) Development Team shall have furnished certificates of insurance or duplicate originals of insurance policies as required by this Agreement;

(viii) The Commission shall have approved this Agreement and the Schematic Design;

(ix) The Board of Supervisors shall have held the public hearing and approved the sale of the Site under California Health & Safety Code Section 33433;

(x) Development Team shall have delivered to Successor Agency and the Title Company all instructions and documents to be delivered at Close of Escrow pursuant to the terms and provisions hereof; and

(xi) Successor Agency shall have received a quitclaim deed for Parcel C'' from the City, provided that (A) Successor Agency shall use diligent, best efforts to cause the delivery of such quitclaim deeds by October 1, 2015, (B) for avoidance of doubt, Successor Agency shall not have any right to terminate this DDA as a result of Agency's failure to obtain such quitclaim deed, and (C) Successor Agency's failure to obtain such quitclaim deed prior to the Outside Closing Date shall not excuse Successor Agency from performing its obligations under Section 2.09;

(xii) The Citywide Affordable Housing Committee shall have reviewed and approved a predevelopment budget and proposed permanent development budget for the Affordable Project; and

(xiii) Lead Developer and Affordable Developer shall have executed a Memorandum of Understanding as defined in Section 4.02(a) and such agreement shall have been approved by the Successor Agency.

(c) Conditions Precedent to Lease of Affordable Air Rights Parcel to Affordable Developer. The conditions precedent to Successor Agency's and Affordable Developer's obligation to enter into a lease of the Affordable Air Rights Parcel will be as set forth in the Air Rights Lease, and shall include that the Board of Supervisors shall have held the public hearing and approved the lease of the Affordable Air Rights Parcel under California Health & Safety Code Section 33433.

2.08 Submission of Evidence of Financing and Project Commitments

(a) Successor Agency Requirements. No later than 30 days before the Close of Escrow, Lead Developer shall submit to Successor Agency a statement in a form reasonably satisfactory to the Successor Agency that is reasonably sufficient to demonstrate that Lead Developer has adequate funds to acquire the Site at Close of Escrow, or will have adequate funds and is committing such funds to the acquisition of the Site.

(b) TIFIA Requirements. No later than December 1, 2015, Lead Developer shall submit to Successor Agency for review and approval by the TJPA solely for consistency with the TIFIA Loan requirements at least one of the following:

(i) Signed financing agreements such as a loan agreement, line or letter of credit agreement, equity contribution or grant agreements or other similar agreements or instruments, or term sheets or letters of intent therefor, for the construction of the Improvements; or

(ii) A certificate from Lead Developer certifying to the USDOT as the lender under the TIFIA Loan that funds are available to be drawn by Lead Developer from identified accounts maintained with a financial institution and that such funds are adequate to pay the costs of planning, design, engineering, procurement, permitting, construction, installation and equipping of the Project for its intended uses and purposes; or

(iii) A construction contract(s) for the full scope of work to design, equip, construct, and install the Improvements; and a copy of the notice to proceed issued to the general contractor, the design/build contractor, or the construction manager at risk; and a certificate from Lead Developer that there have been no amendments, changes or waivers to such construction contracts.

2.09 Conveyance of Title to the Site and Delivery of Possession

Subject to the provisions of Section 2.07, and provided that (a) no Event of Default by the Lead Developer then exists under the terms of this Agreement pursuant to Section 8.01, (b) the Agency Conditions have been satisfied or expressly waived by no later than the Outside Closing Date, and (c) Lead Developer has deposited the Purchase Price into Escrow and has paid to Successor Agency all sums that are due hereunder at the times when due, then Successor Agency shall convey to, or cause to be conveyed to, Lead Developer, and Lead Developer shall accept the conveyance of, the fee simple interest in Parcel C'', subject only to the Approved Title Conditions, on the Closing Date, as it may be extended pursuant to this Agreement.

ARTICLE 3 - SITE CONDITION; HAZARDOUS MATERIALS INDEMNIFICATION

3.01 Prior to Conveyance/Site "As Is"

(a) The Site shall be conveyed in its present, "AS IS" condition, free of any liens, encumbrances, or other matters affecting title except for the Approved Title Conditions. The Successor Agency shall not prepare the Site for any purpose whatsoever prior to conveyance to Lead Developer, except that all Off-Ramp Work on the Site performed by SFCTA shall be complete prior to such conveyance, as evidenced by the close-out of the current Encroachment Permit by Caltrans. So long as there is no material adverse change in the condition of the Site after the Effective Date, other than completion of the Off-Ramp Work as described in the preceding sentence, Lead Developer agrees to accept the Site in "AS IS" condition at the Close of Escrow, subject only to the Approved Title Conditions. At the Close of Escrow, the Successor Agency, the TJPA, and the City shall be released by the Development Team from and against any and all environmental, construction, and other ongoing liabilities relating to the Site (but not including any responsibility or liability related to any such party's regulatory and/or administrative authority with respect to the Site), to the extent they originate or accrue after the Close of Escrow.

(b) Development Team acknowledges that neither Successor Agency, City, TJPA, nor any employee, representative or agent of Successor Agency, City and TJPA, have made any representation or warranty, express or implied, with respect to the Site except as expressly provided in this Agreement or in any document entered into between Successor Agency and Development Team pursuant to this Agreement, and it is agreed that Successor Agency, City and TJPA make no representations, warranties or covenants, express or implied, as to its physical condition; as to the condition of any improvements; as to the suitability or fitness of the land; as to any Environmental Law, or otherwise affecting the use, value, occupancy or enjoyment of the Site; or as to any other matter whatsoever; it being expressly understood that the Site is being sold in an "AS IS" condition. The provisions of this Section 3.01, as with the other provisions of this Agreement, shall survive the Close of Escrow and shall not merge into the Grant Deed delivered to Lead Developer at Close of Escrow.

(c) Development Team will be given the opportunity to investigate the Site fully, using experts of its own choosing as described in Section 2.06(b).

(d) After Close of Escrow, Development Team, at its sole cost and expense, shall comply with all provisions of Environmental Law applicable to the Site and all uses, improvements and appurtenances of and to the Site, and shall perform all investigations, removal, remedial actions, cleanup and abatement, corrective action or other remediation that may be required pursuant to any Environmental Law, and Successor Agency, City, and the TJPA and their respective members, officers, agents and employees, shall have no responsibility or liability with respect thereto related to the Site (but not including any responsibility or liability related to any such party's regulatory and/or administrative authority with

respect to the Site), except where such liability results from the gross negligence or intentional misconduct of Successor Agency, City or TJPA.

(e) After Close of Escrow, any costs associated with the security, maintenance/repair, and demolition of any existing structures on the Site are the sole and absolute responsibility of the Lead Developer.

(f) DEVELOPMENT TEAM ACKNOWLEDGES AND AGREES THAT, EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY PROVIDED HEREIN, SUCCESSOR AGENCY IS CONVEYING AND DEVELOPMENT TEAM IS ACCEPTING THE PROPERTY ON AN "AS-IS WITH ALL FAULTS" BASIS SUBJECT TO ALL APPLICABLE LAWS, RULES AND ORDINANCES, INCLUDING WITHOUT LIMITATION, ANY ZONING ORDINANCES, OR OTHER REGULATIONS GOVERNING THE USE, OCCUPANCY OR POSSESSION OF THE PROPERTY. DEVELOPMENT TEAM REPRESENTS AND WARRANTS THAT DEVELOPMENT TEAM IS RELYING SOLELY ON ITS INDEPENDENT INVESTIGATION AND NOT ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM SUCCESSOR AGENCY OR ITS AGENTS AS TO ANY MATTERS CONCERNING THE PROPERTY, ITS SUITABILITY FOR DEVELOPMENT TEAM'S INTENDED USES OR ANY OF THE PROPERTY CONDITIONS. SUCCESSOR AGENCY DOES NOT GUARANTEE THE LEGAL, PHYSICAL, GEOLOGICAL, ENVIRONMENTAL OR OTHER CONDITIONS OF THE PROPERTY, NOR DOES IT ASSUME ANY RESPONSIBILITY FOR THE COMPLIANCE OF THE PROPERTY OR ITS USE WITH ANY STATUTE, RESOLUTION OR REGULATION. DEVELOPMENT TEAM AGREES THAT NEITHER SUCCESSOR AGENCY, NOR ANY OF ITS AGENTS HAVE MADE, AND SUCCESSOR AGENCY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY CONDITIONS.

In connection with the foregoing release, Development Team expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR EXPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR.

BY PLACING ITS INITIALS BELOW, DEVELOPMENT TEAM SPECIFICALLY ACKNOWLEDGES AND CONFIRMS THE VALIDITY OF THE RELEASES MADE ABOVE AND THE FACT THAT DEVELOPMENT TEAM WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THE ABOVE RELEASES.

INITIALS: LEAD DEVELOPER: _____ AFFORDABLE DEVELOPER: _____

3.02 Hazardous Materials Indemnification

(a) After the Close of Escrow, Lead Developer and Affordable Developer shall each indemnify, defend and hold Successor Agency, the City and the TJPA, and their respective members, officers, agents and employees (individually, an "**Indemnified Party**" and collectively, the "**Indemnified Parties**") harmless from and against any 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 (A) the Lead Developer's or Affordable Developer's (as

applicable) violation of any Environmental Law, or (B) any Release or threatened Release of a Hazardous Substance, or any condition of pollution, contamination or Hazardous Substance-related nuisance on, under or from the Site, occurring after the Close of Escrow, except where such violation, Release or threatened Release, or condition was at any time caused by (I) the gross negligence or intentional misconduct of the Indemnified Party seeking indemnification, (II) the acts or omissions of SFCTA, or its employees, agents, contractors or representatives, in connection with the Off-Ramp Work on or adjacent to the Site, or (III) migration of a Hazardous Substance from another property that is owned, operated or controlled by the Indemnified Party seeking indemnification. The indemnification obligations by Lead Developer and Affordable Developer with respect to violations of Environmental Law pursuant to clause (A) above shall, for each Developer, only apply to its own violation of Environmental Law, and the obligations with respect to Release or threatened Release of Hazardous Substances pursuant to clause (B) above shall be joint and several prior to Parcelization 2 of the Site and, thereafter, shall apply with respect to each Developer (and/or its successor after a Transfer of one or more Phase(s) or Portion(s)) only as to its Ownership Parcel(s).

(b) For purposes of this Section 3.02, the term "**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 §§25316 and 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 that occur naturally on the Site.

(c) The term "**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.

(d) For purposes of this Section 3.02, the term "**Release**" shall mean any spilling, 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).

3.03 Risk of Loss

After Close of Escrow, all risk of loss with respect to any improvements on the Site shall be borne by Development Team; provided that Successor Agency shall assign to Lead Developer at Close of Escrow any unexpended insurance proceeds and any uncollected claims and rights under insurance policies covering such loss, if any.

ARTICLE 4 - CONSTRUCTION OF IMPROVEMENTS

4.01 The Improvements

The Improvements are defined in Recital Q and further described in the Scope of Development in Attachment 6.

4.02 Lead Developer's and Affordable Developer's Construction Obligations

(a) Lead Developer and Affordable Developer have entered into a Memorandum of Understanding related to development of the Site (the "**Memorandum of Understanding**"), which Memorandum of Understanding has been submitted and approved by the Successor Agency prior to the OCII Commission approval of this Agreement. Pursuant to the terms of the Memorandum of Understanding and Article 9 of this Agreement, the Development Team shall construct, or cause to be constructed, the Improvements (subject to Section 4.02(b) below) on the Site within the times and in the manner set forth herein and in the Schedule of Performance and Scope of Development, as such dates may be extended from time to time as provided herein.

(b) Lead Developer, working with the Affordable Developer consistent with the terms of the Memorandum of Understanding shall direct the development process for the Project, as described in this paragraph, including but not limited to: forming and hiring the design and construction teams in compliance with applicable laws, rules, regulations and Successor Agency policies; providing the design team with the Development Program as shown on Attachment 2, information and timely decisions to facilitate creation of a design responsive to the Project requirements; causing the securing of all necessary public approvals and permits; providing clarification to the general contractor and prime contractors regarding construction scope to facilitate construction in conformance with the Project Approval Documents (as defined in the Design Review and Document Approval Procedures (the "**DRDAP**"), Attachment 7); approving and processing necessary or owner-initiated changes to the work; administering the draw process to pay consultants and contractors in a timely and well-documented manner; coordinating with pertinent public agencies throughout design and construction to secure required approvals, including certificates of occupancy; monitoring the progress of the Project; and monitoring and facilitating the leasing and property management activities.

(c) Lead Developer, working with the Affordable Developer consistent with the terms of the Memorandum of Understanding shall construct, or cause to be constructed, the Improvements in accordance with Section 4.02(a) and (b) above and with applicable provisions of the San Francisco Building Code and Administrative Bulletin AB-093, excepting that the Improvements shall be constructed to at least a Leadership in Energy and Environmental Design Silver standard as committed in the proposal submitted by the Lead Developer in response to the RFP.

4.03 Compliance with Project Approval Documents and Law

Lead Developer, working with the Affordable Developer consistent with the terms of the Memorandum of Understanding shall construct the Improvements in compliance with the Project Approval Documents approved by the Successor Agency or such similar documents as reasonably required by the City, and in compliance with all applicable local, state and federal laws and regulations, including all laws relating to accessibility for persons with disabilities.

4.04 Compliance with Redevelopment Requirements/City Requirements

The Project Approval Documents shall be in substantial compliance with: (i) this Agreement, including substantially consistent with the Scope of Development with such changes as may be reasonably approved by the Successor Agency, and (ii) to the extent applicable the Redevelopment Plan, the Project Area Declaration of Restrictions, the Development Controls, the Streetscape Plan, and the DRDAP. The Redevelopment Plan, the Project Area Declaration of Restrictions, the Declaration of Site Restrictions, the Development Controls, the Streetscape Plan, the DRDAP, and this Agreement, including the Scope of Development, are sometimes for convenience referred to as "**Redevelopment Requirements**."

4.05 Preparation of Project Approval Documents/Approval of Architect

(a) The Project Approval Documents shall be prepared by or signed by an architect (or architects) licensed to practice architecture in and by the State of California. A California licensed architect shall coordinate the work of any associated design professions, including engineers and landscape architects. In any event:

(i) A California licensed architect shall inspect all construction to certify that all construction has been built based on the design standards in the drawings and specifications as submitted by the architect and as included in the Project Approval Documents;

(ii) A California licensed structural and civil engineer shall review and certify all final foundation and grading design.

(b) The architect(s) for the Improvements shall certify that the Improvements have been designed in accordance with all local, state and federal laws and regulations relating to accessibility for persons with disabilities.

4.06 Submission of Project Approval Documents

Lead Developer, in partnership with Affordable Developer, shall prepare and submit Project Approval Documents to the Successor Agency for review and approval in accordance with the Scope of Development and at the times established in the Schedule of Performance.

4.07 Scope of Successor Agency Review/Approval of Lead Developer's Construction

(a) Successor Agency's review and approval of Project Approval Documents is limited to (i) a determination of their compliance with (A) the Redevelopment Requirements, including the Scope of Development, and (B) the Mitigation Measures referred to in Section 9.01 [if any]; (ii) urban design issues, including implementation of the Successor Agency's urban design objectives; and (iii) architectural design (excluding the interiors of market rate units) including, but not limited to, landscape design, including materials, plantings selection and irrigation, site planning, the adequacy of utilities for servicing the Site, exterior and public area signs and public art work, if any, provided that the review and approval pursuant to clauses (ii) and (iii) is in accordance with objective standards that are uniformly applied to all projects within the Project Area.

(b) No Successor Agency review is made or approval given as to the compliance of the Project Approval Documents with any building codes and standards, including building engineering and structural design, or compliance with building codes or regulations, or any other applicable state or federal law or regulation relating to construction standards or requirements, including, without limitation, compliance with any local, state or federal law or regulation related to the suitability of the Improvements for use by persons with disabilities.

(c) Successor Agency's review and approval or disapproval of Project Approval Documents as heretofore provided in this Section shall be final and conclusive. Successor Agency shall act reasonably and in good faith in its review and approval process. Successor Agency will not disapprove or require changes subsequently (except by mutual agreement) in, or in a manner which is inconsistent with, matters which it has approved previously, unless the change is required by law, and will not disapprove any additions or changes proposed by Lead Developer that logically proceed from matters previously approved by Successor Agency.

4.08 Construction Schedule

Lead Developer, working with the Affordable Developer consistent with the terms of the Memorandum of Understanding and subject to Section 4.02(b) of this Agreement, shall commence, prosecute and complete the construction and development of the Improvements within the times specified in the Schedule of Performance, as may be extended pursuant to Section 8.09 (collectively, the "**Approved Extensions**"). The "**Commencement Date**" for construction of Improvements means the date specified in the applicable written notification from Lead Developer to the Successor Agency of the date of commencement of construction of the applicable Improvements, as approved by the Successor Agency consistent with the Schedule of Performance and any Approved Extensions, which date shall be based upon either (i) the date of commencement of construction identified in the Lead Developer's contract/agreement with its general contractor, or (ii) the date identified in a notice to proceed issued by Lead Developer or Affordable Developer and/or its architect to the general contractor. Notwithstanding anything to the contrary in this Agreement or the Schedule of Performance, Lead Developer may, in its sole discretion, separately commence and/or complete each of (i) the Market-Rate Condo Project, (ii) the BMR Units in the 80/20 Project, (iii) the market rate units in the 80/20 Project, and (iv) the Affordable Project in four separate phases ("**Phased Construction**" and each such separate phase of the Improvements being defined as a "**Phase**"). If Lead Developer pursues Phased Construction, it may deliver separate written notification of the date of commencement to the Successor Agency for each Phase, and the Commencement Date and Completion Date (which shall be deemed to occur upon the issuance of a Temporary C of O (as defined in Section 4.13(a)) for the applicable Phase) may be separately determined with respect to each Phase, provided that, in the event of Phased Construction, for purposes of satisfaction of Lead Developer's obligation to commence and complete construction pursuant to the Schedule of Performance, commencement of construction and the "**Commencement Date**" shall be deemed to occur upon Lead Developer's written notification to the Successor Agency of commencement of construction of the initial Phase, and Completion of Construction and the "**Completion Date**" with respect to the entire Project shall be deemed to occur upon the issuance of a Temporary C of O for the final Phase.

4.09 Cost of Lead Developer Construction

The cost of developing the Site and construction of all Improvements thereon shall be borne solely by Lead Developer, except as otherwise provided in this Agreement.

4.10 Issuance of Building Permits

(a) Lead Developer, working with the Affordable Developer consistent with the terms of the Memorandum of Understanding shall have the sole responsibility for obtaining all necessary building permits and shall make application for such permits directly to the Central Permit Bureau of the City. When applicable, the Successor Agency shall reasonably and expeditiously cooperate with Lead Developer and Affordable Developer, as applicable, in its efforts to obtain such permits, at no cost or expense to Successor Agency. Prior to commencing construction of any portion of the Improvements, Lead Developer and Affordable Developer shall have each obtained the requisite building permits. From and after the date of its submission of any such application, such Party shall diligently prosecute such application.

(b) Lead Developer and Affordable Developer are advised that the City's Central Permit Bureau ("**Central Permit Bureau**") forwards all site and building permits to Successor Agency, when applicable, for Successor Agency approval of compliance with Redevelopment Requirements. Successor Agency shall use its best efforts to complete such review within 10 days or less. Successor Agency's review of the Project Approval Documents does not include any review of compliance thereof with the requirements and standards referred to in Section 4.07(b) above, and Successor Agency shall have

no obligations or responsibilities for such compliance. Successor Agency evidences its approval by signing the permit and returning the permit to the Central Permit Bureau for issuance directly to Lead Developer or Affordable Developer, as applicable. Approval of a site permit or any intermediate permit, however, is not approval of compliance with all Redevelopment Requirements necessary for a building permit. It is the intent of the Lead Developer and the Affordable Developer to use the Site Permit process.

4.11 Delay of Construction Tax Increment Fee

Should the Commencement Date or the Completion Date (as defined in Section 4.08) of the Improvements not occur by the date specified in the Schedule of Performance or, in the case of Phased Construction, pursuant to the Development Team's approved schedule for the commencement of construction of each individual Phase (subject to the cure periods provided in Section 8.01(c) and as such dates may be extended for Force Majeure as defined in Section 8.09), Lead Developer shall pay, from the amount equal to the estimated property tax increment that would otherwise be due to the San Francisco Office of the Assessor-Recorder ("**Assessor-Recorder**"), an amount equal to the Net Tax Increment, as defined in the Pledge Agreement, to the TJPA, and the remaining amount to the Successor Agency. Specifically, the Lead Developer shall pay directly to the TJPA the equivalent of the Net Tax Increment, and to the Successor Agency the equivalent of increment committed to affordable housing under the Pledge Agreement, that would have been due if the Improvements had commenced or been completed by the dates specified in the Schedule of Performance, as extended as noted in this Section 4.11 ("**Delay of Construction Tax Increment Fee**"), until issuance of the Temporary C of O for all of the Improvements as described in Section 4.13 below. The parties shall reasonably and in good faith determine the amount of Delay of Construction Tax Increment Fee owed based on the State of California Board of Equalization Assessor Handbook. The Lead Developer shall not receive a credit of any kind with the Assessor-Recorder for any payments made to the TJPA pursuant to this Section 4.11.

4.12 Construction Signs and Barriers

The Lead Developer, working with the Affordable Developer consistent with the terms of the Memorandum of Understanding shall provide appropriate construction barriers and construction signs and post the signs on the Site during the period of construction in conformance with Planning Code Section 604(e). The size, design and location of such signs and the composition and appearance of any non-moveable construction barriers shall be submitted to Successor Agency or appropriate City Department, if applicable, for approval before installation, which approval shall not be unreasonably withheld and shall otherwise comply with applicable laws.

4.13 Notice of Termination – Issuance

(a) After the Completion Date of each individual Phase or Portion (as defined in Section 5.03 below), Lead Developer may request in writing that Successor Agency issue a Partial Notice of Termination in the form of Attachment 13-A ("**Partial Notice of Termination**"). In submitting such a request to Successor Agency, Lead Developer shall provide (i) the City and County of San Francisco's Department of Building Inspection ("**DBI**") Temporary Certificate of Occupancy allowing occupancy of the applicable Phase or Portion ("**Temporary C of O**") and (2) a certification from the Lead Developer that it has satisfied all obligations that are required to be satisfied under this Agreement for the applicable Phase or Portion for issuance by the Successor Agency of a Notice of Termination. Upon receipt of such request, including required supporting documentation, Successor Agency shall review the request and notify Lead Developer within fifteen (15) days of receipt of the request of the Successor's Agency's determination of whether or not it will issue a Partial Notice of Termination for the applicable Phase or Portion. The Successor Agency's determination shall be based solely on Lead Developer's compliance with the requirements of this Agreement for the applicable Phase or Portion that must be complied with to the date of

the issuance of the Temporary C of O for the applicable Phase or Portion. Upon Successor Agency's determination that it will issue a Partial Notice of Termination, provided that at such time there is not an uncured Event of Default of the Lead Developer of any obligations under the Surviving Provisions (as defined in Section 5.08), Successor Agency shall promptly issue to Lead Developer, in recordable form, a duly executed Partial Notice of Termination in the form of Attachment 13-A which results in the termination of this Agreement ("**Agreement Termination**") with respect to the applicable Phase or Portion, except for the Surviving Provisions as provided in Section 5.08. "**Completion of Construction of the Improvements**" for all Phases shall be defined as issuance of the Partial Notice of Termination for the final Phase or Portion of the Improvements.

The Partial Notice of Termination shall be a conclusive determination of Completion of Construction of the Improvements within the applicable Phase or Portion in accordance with this Agreement and the full performance of the agreements and covenants contained in this Agreement and in the Grant Deed with respect to the obligation of the Lead Developer, and its successors and assigns, to construct the Improvements within the applicable Phase or Portion in accordance with the approved Project Approval Documents. Upon the completion of all Phases of the Project and Completion of Construction of the Improvements for all Phases and the issuance of a Final Certificate of Occupancy for the Project, the Agency will issue a final Notice of Termination ("**Final Notice of Termination**") in the form of Attachment 13-B and the Lead Developer will be deemed to be discharged of all obligations of this Agreement, except for the Surviving Provisions, with respect to the Project.

(b) Agency's issuance and recordation of any Notice of Termination does not relieve Lead Developer or any other person or entity from compliance with applicable law and governmental regulations including those relating to conditions to occupancy of such Improvements.

4.14 Right to Reconstruct the Improvements in the Event of Casualty

Without limiting Development Team's obligations under Section 5.05(b), in the event that the Improvements are destroyed by casualty prior to the issuance of the Final Notice of Termination, the Lead Developer or Affordable Developer, as applicable, shall have the right to rebuild the applicable Improvements substantially in conformity with the approved Project Approval Documents, subject to changes necessary to comply with the applicable building code, and in the event the Redevelopment Requirements are no longer in effect, the planning code, and other local requirements then in effect for the Site.

4.15 Intentionally Omitted

4.16 Access to Site – Successor Agency

From and after delivery of possession of the Site to Lead Developer, upon reasonable prior notice to Lead Developer, the Successor Agency, the City and their respective representatives will have the right to enter upon the Site at reasonable times, with 48 hour prior written notice to Lead Developer, at no cost or expense to the Successor Agency or the City payable to Lead Developer, during normal business hours, during the period of construction of the Improvements, but only to the extent reasonably necessary to carry out the purposes of this Agreement, including inspecting the work of construction of the Improvements. Lead Developer will have the right to have an employee, agent or other representative of Lead Developer accompany the Successor Agency, the City and their representatives at all times while they are present on the Site. The Successor Agency, the City and their respective representatives will exercise due care in entering upon and/or inspecting the Site, and will perform all entry and inspection in a professional manner and so as to preclude any damage to the Site or Improvements, or any interference with, delay of or disruption to the work of construction of the Improvements. The Successor Agency, the

City and their respective representatives will abide by any reasonable safety and security measures Lead Developer or its general contractor imposes.

4.17 Intentionally Omitted

4.18 Off-Site Infrastructure and Improvements Damage

In addition to the indemnification provisions contained in Section 12.01 of this Agreement, prior to Completion of Construction of the Improvements the Development Team further agrees to repair fully and/or replace to the reasonable satisfaction of the Successor Agency, any damage to the off-site infrastructure and improvements within the Project Area, including streets, sidewalks, curbs, gutters, drainage ditches, fences and utility lines lying within or adjacent to the Site resulting from work performed by or for such Party in the development of the Site as set forth herein. Development Team or its general contractor(s), before commencement of such off-site repair work, shall secure this obligation with a $250,000 bond or insurance in form acceptable to the Successor Agency, or other security acceptable to the Successor Agency, such as a personal guaranty. Development Team expressly acknowledges and agrees that its liability under this provision is not limited to the amount of the bond or insurance.

4.19 Insurance Requirements

(a) Without in any way limiting Lead Developer's or Affordable Developer's indemnification obligations under this Agreement, and subject to approval by the Successor Agency of the insurers and policy forms, each of Lead Developer and Affordable Developer shall obtain and maintain, or shall contractually require others to maintain, throughout the Term the minimum insurance coverage as set forth in this Section, at no expense to Successor Agency. If each of Lead Developer and Affordable Developer maintains broader coverages and/or higher limits than the minimums shown in this Section 4.19, the Successor Agency requires and shall be entitled to the additional coverage and/or the higher limits so maintained in the insured or beneficiary capacities set forth in this Section 4.19. Exceptions and/or deviations from the requirements of this Section 4.19 shall be permitted with the written approval of the person serving as Successor Agency's risk manager, which approval shall not unreasonably be withheld or delayed.

(b) Minimum Scope. Coverage must be at least as broad as:

(i) Insurance Services Office Commercial General Liability coverage (occurrence form CG 00 01 01) or other form approved by the Successor Agency.

(ii) Insurance Services Office Automobile Liability coverage, code 1 (form number CA 00 01 – "any auto") or other form approved by the Successor Agency.

(iii) Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(iv) Professional Liability Insurance: Lead Developer and Affordable Developer must require that all architects, engineers, and surveyors, and all other design professionals for the Project have professional liability insurance covering their negligent acts, errors and omissions. Lead Developer and Affordable Developer must provide the Successor Agency with copies of consultants' insurance certificates showing such coverage.

(v) Property Insurance: Special form coverage against direct physical loss to the Project, excluding earthquake or flood, but including vandalism and malicious mischief, during the course of construction and following Completion of Construction.

(c) Minimum Limits. Lead Developer and Affordable Developer must maintain limits no less than:

(i) Commercial General Liability: $5,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit must apply separately to this development or the general aggregate limit must be twice the required occurrence limit.

(ii) Automobile Liability: $1,000,000 per accident for bodily injury and property damage.

(iii) Workers' Compensation and Employer's Liability: Workers' Compensation limits as required by the State of California and Employers Liability limits of $1,000,000 for bodily injury by accident and $1,000,000 per person and in the annual aggregate for bodily injury by disease.

(iv) Professional Liability: $2,000,000 each occurrence and in the annual aggregate covering all negligent acts, errors and omissions of Lead Developer's and Affordable Developer's respective architects, engineers, surveyors, and other design professionals. Lead Developer and Affordable Developer shall respectively assure that these minimum limits are maintained for no less than ten (10) years beyond the Completion of Construction.

(v) Property Insurance: During the course of construction, builder's risk insurance in the full completed value of the Project including coverage in transit and storage off-site (which may be subject to commercially reasonable sublimits), with a deductible not to exceed $50,000 each loss.

(d) Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions over $25,000 must be declared to and approved by the Successor Agency. In the event such deductibles or self-insured retentions are in excess of $25,000, at the option of the Successor Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Successor Agency, the City, the TJPA, and their respective commissioners, members, officers, agents, and employees; or the Lead Developer or Affordable Developer, as applicable, shall procure a financial guarantee satisfactory to the Successor Agency guaranteeing payment of losses and related investigations, claim administration and defense expenses.

(e) Other Insurance Provisions.

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

(i) General Liability and Automobile Liability Coverage:

a. Additional Insureds: "The Successor Agency to the San Francisco Redevelopment Agency, the City, the TJPA and their respective commissioners, members, officers, agents, and employees" shall be named as additional insureds as respects: liability arising out of activities performed by or on behalf of the Lead Developer and Affordable Developer; products and completed operations of such Party, premises owned, occupied or used by such Party; and automobiles owned, leased, hired or borrowed by or on behalf of such Party. The coverage shall contain no special

limitations on the scope of protection afforded to the Successor Agency, the City and County of San Francisco, the TJPA, and their respective commissioners, members, officers, agents or employees.

b. Defense: Defense shall be outside the limits with respect to all Developer's required general liability insurance and auto insurance. Defense may permissibly be inside the limits with respect to any professional liability and pollution legal liability insurance

c. Primary Insurance: For any claims related to this Project, Lead Developer's and Affordable Developer's insurance coverage must be primary insurance as respects to the Successor Agency, the City, the TJPA and their respective commissioners, members, agents, and employees. Any insurance or self-insurance maintained by the Successor Agency, the City, the TJPA, and their respective commissioners, members, agents, officers or employees must be in excess of the applicable Party's insurance and will not contribute with it.

d. Reporting Provisions: Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Successor Agency, the City, the TJPA and their respective commissioners, members, officers, agents or employees.

e. Severability of Interests: Lead Developer's and Affordable Developer'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.

(ii) Builder's Risk (Course of Construction) Insurance: Development Team may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall contain the following provision:

a. Successor Agency shall be named as loss payee as its interest may appear.

(iii) All Coverages: Each insurance policy required by this clause shall 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 Successor Agency, except in the event of suspension for nonpayment of premium, in which case ten (10) days' notice shall be given.

(f) Acceptability of Insurers. Insurance is to be placed with insurers with a current A. M. Best's rating of no less than A:VII or as otherwise approved by the Successor Agency.

(g) Waiver of Subrogation. Development Team herby grants to the Successor Agency and the additional insureds a waiver of any right to subrogation which any insurer of said Development Team may acquire against the Successor Agency and the additional insureds by virtue of the payment of any loss under such insurance. Development Team agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Successor Agency or any of the additional insureds has received a waiver of subrogation endorsement from the insurer.

(h) Reservation of Rights. Successor Agency reserves the right to require an increase in Developers' insurance coverage: (i) limits in the event the Successor Agency reasonably determines that changed conditions show cause for an increase; and/or (ii) in the event of a material change in existing law, additional endorsements to Developers' coverage required herein as necessary to maintain comparable coverage to that required herein, unless the applicable Developer demonstrates to the Successor Agency's

reasonable satisfaction that such increase in coverage limits or additional endorsements are commercially unreasonable and/or unavailable to such Developer at commercially reasonable rates.

(i) If any of the policies provide coverage on a claims-made basis:

a. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work

b. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the contract of work

c. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five years after completion of contract work.

(j) Verification of Coverage. Lead Developer and Affordable Developer must furnish the Successor Agency with certificates of insurance and with original endorsements effecting coverage required by this Section 4.19. 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. All certificates and endorsements are to be received and approved by the Successor Agency before work commences. The Successor Agency reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time. Approval of insurance by Successor Agency pursuant to this Section 4.19 will not relieve or decrease the obligations of Lead Developer or Affordable Developer under this Agreement.

(k) Contractor, Subcontractors and Consultants Insurance. Before Lead Developer and Affordable Developer's general contractor, subcontractors, consultants, architects, and engineers ("**Development Team's Contractors**") enter the Site, Developers shall cause the Development Team's Contractors to maintain workers compensation, automobile liability, and commercial general liability insurance in the amounts and in accordance with the requirements listed above, as applicable, unless otherwise approved by the Successor Agency's Risk Manager, and furnish Successor Agency and the TJPA with the certificates of insurance and original endorsements effecting coverage required by this Article 4.19.

ARTICLE 5 - COVENANTS AND RESTRICTIONS

5.01 Covenants

Lead Developer and Affordable Developer each expressly covenant and agree, with respect to its Ownership Parcel only, for itself, its successors and assigns and all persons claiming under or through it, that as to the Site and any Improvements constructed or to be constructed thereon, or any part thereof, or alterations or changes thereto, and in addition to any other term, covenant and condition of this Agreement, Lead Developer and Affordable Developer and all such successors and assigns and all persons claiming under or through it, shall use, devote, operate and maintain the Site and the Improvements thereon, and every part thereof, only and in strict accordance with the provisions of this Article 5 unless Developer has received the express written consent of the Successor Agency to make any Change in the Improvements pursuant to Section 5.07 of this Agreement. The provisions hereof are contained in the Grant Deed, Attachment 11-A, and Declaration of Site Restrictions, Attachment 14.

5.02 General Restrictions

The Site and the Improvements thereon shall be devoted only to the uses permitted by (i) the Redevelopment Plan, (ii) the Project Area Declaration of Restrictions, and (iii) Affordability Requirements to be documented in the Air Rights Lease and a Declaration of Restrictions for each of the Affordable Project and the 80/20 Project setting forth the affordability restrictions as described in Section 9.03(b) for the period during which they are in effect.

5.03 Restrictions Before Completion

Prior to the Completion Date with respect to any Phase, such Phase shall be used only for construction of the Improvements in accordance with this Agreement, including, but not limited to the Scope of Development, Attachment 6; provided, however, that the restriction in this Section 5.03 shall not apply to portions of the Improvements within individual Phases (such as, for example, groups of floors and/or condominium units within the Market-Rate Condo Project) (each a "**Portion**") after issuance of a Temporary C of O with respect to such Portion.

5.04 Nondiscrimination

(a) There shall be no discrimination against or segregation of any person or group of persons on account of age, race, color, creed, sex, sexual orientation, gender identity, marital or domestic partner status, disabilities (including AIDS or HIV status), religion, national origin or ancestry by any Developer or any occupant or user of the Site in the sale, lease, rental, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, or any part thereof, and each Developer itself (or any person or entity claiming under or through it) shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of its Ownership Parcel or any part thereof, nor shall such Developer or any transferee, successor, assign or holder of any interest in the Site establish or permit any such practice or practices of discrimination or segregation. Each Developer, transferee, successor, assign or holder of any interest in the Site shall include reference to the obligations in this Section 5.04(a) in any lease of any portion of the Site or Improvements.

(b) Lead Developer or Affordable Developer itself (or any person or entity claiming under or through it) further agrees and covenants that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926,12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of its Ownership Parcel nor shall such Developer or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in its Ownership Parcel.

(c) Notwithstanding the above, Development Team shall not be in default of its obligations under this Section 5.04 where there is a judicial action or arbitration involving a bona fide dispute over whether Development Team is engaged in discriminatory practices and Development Team promptly acts to satisfy any judgment or award against Development Team.

(d) The covenants of this Section 5.04 shall run with the land, and any transferee, successor, assign, or holder of any interest in the Site, or any occupant or user thereof, whether by contract, lease, rental, sublease, license, deed, mortgage or otherwise, and whether or not any written instrument or oral agreement contains the foregoing prohibitions against discrimination, shall be bound hereby and shall not violate in whole or in part, directly or indirectly, the nondiscrimination requirements set forth above.

5.05 Compliance with Requirements of TIFIA Loan

Consistent with the requirements of the TIFIA Loan:

(a) Lead Developer shall not object to any conclusion that the assessed value of the Site shall be the greater of: (i) the existing assessed value of the Site as determined by the Assessor-Recorder, or (ii) the sum of: (x) the purchase price for the Site plus (y) the cost of the building(s) constructed pursuant to this Agreement; provided, however, that neither Successor Agency nor TJPA shall object to or otherwise interfere with Developers' application for the welfare exemption as to the Affordable Project and the BMR Units in accordance with the California Revenue and Taxation Code Section 214(g) and the California State Board of Equalization Property Tax Rules.

(b) Subject to the rights of any Mortgagee (as defined in Section 7.01) under any Mortgage (as defined in Section 7.01), Lead Developer shall apply fire and casualty property insurance proceeds to the restoration of the Project if, in the reasonable judgment of the Successor Agency, the funds available to Lead Developer in the event of all or partial destruction of the Project are sufficient to restore the Project to its prior use and condition.

(c) Successor Agency shall record the Deed Restriction re Taxes, as described in Section 2.05(b).

5.06 Effect, Duration and Enforcement of Covenants

(a) It is intended and agreed, and the Grant Deed shall expressly provide, that the covenants provided in this Article 5 (other than Section 5.03) shall be covenants running with the land and that they shall be, in any event and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Agreement itself, to the fullest extent permitted by law and equity,

(i) binding for the benefit and in favor of Successor Agency, as beneficiary, as to all covenants set forth in this Article 5; and the City and the owner of any other land or of any interest in any land in the Project Area (as long as such land remains subject to the land use requirements and restrictions of the Redevelopment Plan and the Project Area Declaration of Restrictions), as beneficiary, as to the covenants provided in Section 5.02 and 5.04; and their respective successors and assigns; and

(ii) binding against Development Team, its successors and assigns to or of the Site and any Improvements thereon or any part thereof or any interest therein, and any party in possession or occupancy of the Site or the Improvements thereon or any part thereof. It is further intended and agreed that the covenants provided in this Article 5 shall remain in effect without limitation as to time, and the covenants in Section 5.02 shall remain in effect for the respective duration of the Redevelopment Plan and the Project Area Declaration of Restrictions and Affordability Requirements; provided, however, that such agreements and covenants contained in this Article 5 shall be binding on Development Team itself, each successor in interest or assign, and each party in possession or occupancy, respectively, only for such period as it shall have title to or an interest in or possession or occupancy of the Site or part thereof and only with respect to such Party's Ownership Parcel.

(b) In amplification, and not in restriction, of the provisions of the preceding Sections, it is intended and agreed that Successor Agency and the City and their respective successors and assigns, as to the covenants provided in this Article 5 of which they are stated to be beneficiaries, shall be beneficiaries both for and in their own right and also for the purposes of protecting the interest of the community and

other parties, public or private, and without regard to whether Successor Agency or the City has at any time been, remains, or is an owner of any land or interest therein to which, or in favor of which, such covenants relate. Successor Agency and the City and their respective successors and assigns shall have the right, in the event of any of such covenants of which they are stated to be beneficiaries, 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 such covenants to which it or any other beneficiaries of such covenants may be entitled including, without limitation, restraining orders, injunctions and/or specific enforcement, judicial or administrative. These rights and remedies are in addition to, and not in derogation of, the rights and remedies of the Successor Agency set forth in this Agreement.

(c) The conveyance of the Site to Lead Developer is made and accepted upon the express covenants contained in this Article 5, which (other than Section 5.03) shall survive the Agreement Termination and shall be provided for in the Grant Deed and the Declaration of Site Restrictions.

(d) Development Team, its successors and assigns, shall be entitled to notice and shall have the right to cure any breach or violation of all or any of the foregoing in accordance with Article 8.

5.07 No Changes Without Approval

For the period during which the Redevelopment Plan and Declaration of Restrictions are in effect, neither Lead Developer, Affordable Developer nor any successor or assign may make or permit any change in the uses of its Ownership Parcel(s) or any Change in the Improvements (as defined below) on its Ownership Parcel(s), unless the express prior written consent for the change in uses or any Change in the Improvements has been requested and obtained from the Successor Agency; and if obtained, upon any terms and conditions the Successor Agency reasonably requires. "**Change in the Improvements**" is defined as any material alteration, modification, addition and/or substitution of or to the Site or the Improvements that materially and adversely changes: (a) the density of the Project; (b) the extent and nature of the open space on the Site from that certified by the Successor Agency as complete in accordance with this Agreement; (c) the exterior, visible design of the Improvements (to the extent material), if inconsistent with other similar improvements in the vicinity of the Site; (d) the exterior, visible materials used in the Improvements (to the extent material), if inconsistent with other similar improvements in the vicinity of the Site; and/or (e) the exterior color of the Improvements (to the extent material), if inconsistent with other similar improvements in the vicinity of the Site. For the purposes of this Section, "exterior" also includes the roof of the Improvements to the extent it is visible from the street. The Successor Agency's approval will not be unreasonably withheld, conditioned or delayed.

5.08 Provisions Surviving Completion of Construction

The following provisions of this Agreement (and only the following provisions) shall survive the Successor Agency's issuance and recordation of the Partial Notice of Termination for a particular Phase or Portion and Final Notice of Termination, and shall also be incorporated into the Declaration of Site Restrictions, Attachment 14, and/or the Grant Deed, Attachment 11-A (the provisions listed in clause (a) through (h) below being defined collectively as the "**Surviving Provisions**"):

(a) All requirements contained in Section 3.01 of this Agreement;
(b) All requirements contained in Section 3.02 of this Agreement;
(c) Certain requirements contained in Section 4.19(c)(iv) of this Agreement;
(d) All requirements contained in Section 5.02 of this Agreement;
(e) All requirements contained in Section 5.04 of this Agreement;
(f) All requirements contained in Section 5.05 of this Agreement;
(g) All requirements contained in Section 5.07 of this Agreement; and

(h) All requirements contained in Section 12.01 of this Agreement.

ARTICLE 6 – ANTI-SPECULATION, ASSIGNMENT, AND TRANSFER PROVISIONS

6.01 Representation as to Lead Developer

Lead Developer represents and agrees that its purchase of the Site and its other undertakings pursuant to this Agreement shall be used for the purpose of redevelopment of the Site and not for speculation in land holding.

6.02 Prohibition Against Transfer of the Site, the Improvements and the Agreement

Subject to the terms of Article 7, which permits Mortgages to encumber the Project, and the transfers described in Section 2.03(e), before the Agreement Termination (or, with respect to individual Phases or Portions, before the issuance of a Temporary C of O for such Phase or Portion), Lead Developer or Affordable Developer shall not make or create or suffer to be made or created any total or partial sale, conveyance, mortgage, encumbrance, lien, assignment, option to acquire, any trust or power, or transfer in any other mode or form, of this Agreement, the Site or the Improvements thereon, or any part thereof, or interest therein, or permit any significant change in the ownership of the Lead Developer to occur or contract or agree to do any of the same (collectively a "**Transfer**") without the prior written approval of Successor Agency (the "**Successor Agency Approval**"), which shall not be unreasonably withheld. For avoidance of doubt, (i) this Section 6.02 shall not act to prevent Lead Developer from retaining one or more "**Developer Affiliates**" (as defined in Section 6.02(a) below) to perform certain construction, development and other project management services with respect to the Project, which may include performance of certain of Lead Developer's obligations under this Agreement on Lead Developer's behalf, and (ii) the prohibitions on transfer in this Section 6.02 shall be of no further force or effect after the Agreement Termination, and (iii) the prohibitions on transfer in this Section 6.02 shall be of no further force and effect with respect to any individual Phase or Portion after the issuance of a Temporary C of O for such Phase or Portion and, without limitation, will not prohibit the sale of individual condominium units within any individual Phase or Portion after the Completion Date of such Phase or Portion has occurred.

Notwithstanding the foregoing, the following Transfers shall be allowed without Successor Agency Approval:

(a) a change in the ownership of the Lead Developer or the 80/20 Entity at any time by adding or removing members or partners, or a pledge of direct or indirect ownership interests in the Lead Developer or the 80/20 Entity in connection with mezzanine financing, so long as The Related Companies, L.P. or any Related Affiliate, as defined below (any such entity, the "**Developer Manager**") at all times retains the right to control or to manage the day-to-day operation of Lead Developer's activities, subject to approval of certain material decisions by any such new equity investor members and subject to replacement of Developer Manager by equity investor members or mezzanine lenders upon a default by Developer Manager under the operating agreement of Lead Developer, subject to the approval of the Successor Agency of the replacement managing entity, which approval shall not unreasonably be withheld and which approval shall be deemed given if the Successor Agency has not denied the replacement entity within five (5) business days of being notified of such a change (for purposes of this Section 6.02, "**Developer Affiliate**" or "**Related Affiliate**" as applicable, shall mean any entity for which Lead Developer or The Related Companies, L.P., as applicable, retains the direct or indirect right to control or to manage the day-to-day operation of its activities);

(b) a change in any portion of the beneficial ownership of Lead Developer, the Developer Manager or their affiliates resulting from any event including a merger, consolidation or other corporate event;

(c) a Transfer by Lead Developer (i) prior to Close of Escrow, of its rights and obligations under this Agreement with respect to the entire Site, or with respect to one or more Phases to a joint venture or other entity in which Lead Developer or its affiliate is a member or partner (any such entity, a "**Permitted Transferee**"), or (ii) after the Closing Date, a conveyance of the entire Site or one or more Phases or Portions to any Permitted Transferee.

(d) A Transfer by Affordable Developer (or its successor) of the Affordable Project to the LIHTC Limited Partnership, and within the LIHTC Limited Partnership any change in the structure, control or ownership of the LIHTC Limited Partnership (including without limitation, by replacement of the general partner thereunder) as a result of a default thereunder or under this Agreement by the Affordable Developer;

(e) A Transfer by Lead Developer (or its successor) of the 80/20 Project, or of the market rate units or the affordable units within the 80/20 Project separately, to the 80/20 Entity or to a Permitted Transferee;

(f) The encumbrance of the Site and Improvements with recorded documents, including, without limitation, easements, stormwater maintenance agreements, reciprocal easement agreements and parcel or subdivision maps, including without limitation, if in connection with the construction and permanent financing for the Project;

(g) The encumbrance of the Site and Improvements with one or more regulatory agreements, restrictive covenants, or land use restriction agreements in connection with the bond financing, tax credits, and affordability restrictions.

Notwithstanding anything to the contrary contained in this Section 6.02 or elsewhere in this Agreement, after any Transfer of the entire Site or of one or more Phases or Portions that is either allowed by this Section 6.02 without Successor Agency Approval or that is made with Successor Agency Approval, the Successor Agency shall look solely to the assignee of the applicable "Developer's" rights for satisfaction of the obligations and liabilities of such Developer or Development Team under this Agreement or any document entered into in connection with this Agreement (or, as applicable, with respect only to the transferred Phase(s) or Portion(s)), and shall release and forever discharge such assignee from any obligations and liabilities with respect to any other portions of the Project or Site under this Agreement or any document entered into in connection with this Agreement, subject to the Successor Agency's review and approval, in its reasonable discretion, of the assignment document with respect to such obligations and liabilities.

Provided further, that Lead Developer agrees that any leases for any portion of the Improvements entered into prior to commencement of construction of the Improvements will include a provision that allows for the termination of the lease by the Successor Agency subsequent to its exercise, prior to the commencement of construction of the Improvements, of its Exclusive Right of Repurchase and subject to any notice requirements (not to exceed 30 days) under the lease.

6.03 Effect of Violation

(a) In the event that, contrary to the provisions of this Agreement, a Transfer does occur that is not permitted by Section 6.02 or consented to by Successor Agency, Successor Agency shall have all remedies provided herein or by law.

(b) Other than as provided in Section 6.02, in the absence of specific written approval by Agency, and except to the extent set forth in this Agreement, no Transfer shall be deemed to relieve Lead Developer or any other party from any obligations under this Agreement or deprive Agency of any of its rights and remedies under this Agreement or the Grant Deed.

ARTICLE 7 - MORTGAGE FINANCING: RIGHTS OF MORTGAGEES

7.01 Mortgagee

For purposes of this Agreement, the term "**Mortgagee**" shall singly and collectively include the following: (a) a mortgagee or beneficiary under a deed of trust concerning all or any portion of the Site (such mortgage or deed of trust being a "**Mortgage**"), and (b) any insurer or guarantor of any obligation or condition secured by a Mortgage.

7.02 Required Provisions of Any Mortgage

Lead Developer and Affordable Developer agree to have any Mortgage provide that the Mortgagee shall give notice to Successor Agency in writing by registered or certified mail of the occurrence of any default by Lead Developer or Affordable Developer, as applicable, under the Mortgage, and that Successor Agency shall be given notice at the time any Mortgagee initiates any Mortgage foreclosure action. In the event of any such default, Successor Agency shall have the right to cure such default, provided that Lead Developer or Affordable Developer, as applicable, is given not less than ten (10) days' prior notice of Successor Agency's intention to cure such default. If Successor Agency shall elect to cure such default, Lead Developer or Affordable Developer, as applicable, shall pay the cost thereof to Successor Agency upon demand, together with the interest thereon at the maximum interest rate permitted by law, unless (i) Lead Developer or Affordable Developer, as applicable, cures such default within such 10-day period, or (ii) if curing the default requires more than ten (10) days and Lead Developer or Affordable Developer, as applicable, shall have commenced cure within such ten (10) days after such notice, Lead Developer or Affordable Developer, as applicable, shall have (A) cured such default within thirty (30) days or such greater time period as may be allowed by Mortgagee after commencing compliance, or (B) obtained from the Mortgagee a written extension of time in which to cure such default. Lead Developer and Affordable Developer also agree to have any Mortgage provide that such Mortgage is subject to all of the terms and provisions of this Agreement.

7.03 Address of Mortgagee

No Mortgagee shall be entitled to exercise the rights set forth in this Article 7 unless and until written notice of the name and address of the Mortgagee shall have been given to Successor Agency, notwithstanding any other form of notice, actual or constructive.

7.04 Mortgagee's Right to Cure

If Lead Developer or Affordable Developer shall create a Mortgage on the Site in compliance with the provisions of this Article 7, then so long as any such Mortgage shall remain unsatisfied of record, the following provisions shall apply:

(a) Successor Agency, upon serving Lead Developer or Affordable Developer, as

applicable, any notice of default or any other notice under the provisions of or with respect to this Agreement, shall also serve a copy of such notice upon any Mortgagee at the address provided to the Successor Agency pursuant to this Agreement, and no notice by Successor Agency to Lead Developer or Affordable Developer, as applicable, hereunder shall affect any rights of a Mortgagee unless and until a copy thereof has been so served on such Mortgagee.

(b) Any Mortgagee, in case Lead Developer or Affordable Developer, as applicable, shall be in default hereunder, shall have the right to remedy, or cause to be remedied, such Event of Default within the later to occur of (i) one hundred twenty (120) days following the date of Mortgagee's receipt of the notice referred to in Section 7.04(a) above, or (ii) one hundred twenty (120) days after the expiration of the period provided herein for Lead Developer to remedy or cure such default, and Successor Agency shall accept such performance by or at the insistence of the Mortgagee as if the same had been timely made by Lead Developer or Affordable Developer, as applicable.

(c) Any notice or other communication which Successor Agency shall desire or is required to give to or serve upon the Mortgagee shall be in writing and shall be served in the manner set forth in Section 12.03, addressed to the Mortgagee at the address provided for in this Agreement.

(d) Any notice or other communication which Mortgagee shall give to or serve upon Successor Agency shall be deemed to have been duly given or served if sent in the manner and at Successor Agency's address as set forth in Section 12.03, or at such other address as shall be designated by Successor Agency by notice in writing given to the Mortgagee in like manner.

(e) Notwithstanding anything to the contrary contained herein, the provisions of this Article 7 shall inure only to the benefit of the Mortgagees under Mortgages which are permitted hereunder.

7.05 Application of Agreement to Mortgagee's Remedies

No provision of this Agreement shall limit the right of any Mortgagee to foreclose or otherwise enforce any mortgage, deed of trust or other encumbrance upon the Site or any Phase or Portion (as applicable), nor the right of any Mortgagee to pursue any remedies for the enforcement of any pledge or lien upon the Site or any Phase or Portion (as applicable); provided, however, that in the event of a foreclosure sale under any such mortgage, deed of trust or other lien or encumbrance or sale pursuant to any power of sale contained in any such mortgage or deed of trust, or other lien or encumbrance, the purchaser or purchasers and their successors and assigns and the Site or any Phase or Portion (as applicable) shall be, and shall continue to be, subject to all of the conditions, restrictions and covenants provided for in this Agreement, subject to Mortgagee's right to cure under Section7.04, but not any past due obligations of Lead Developer or Affordable Developer, as applicable, for which Lead Developer or Affordable Developer, as applicable, shall remain liable. In no event shall Mortgagee be in default of any such future obligations provided for in this Agreement until at least 120 days after the date of the transfer of title, plus any cure periods provided for hereunder.

7.06 No Obligation to Construct Improvements or Pay Money Damages

The Mortgagee, including without limitation any Mortgagee who obtains title to the Site or any part thereof as a result of foreclosure proceedings or action in lieu thereof (but not including any other party who thereafter obtains title to the Site or any part thereof from or through such Mortgagee or any purchaser at a foreclosure sale other than the Mortgagee), shall in no way be obligated by the provisions of the Agreement to either pay money damages or other consideration to the Successor Agency, or to construct or complete construction of the Improvements, nor shall any covenant or any other provision in the Redevelopment Plan, the Project Area Declaration of Restrictions, or any other document, instrument or

plat whatsoever be construed to so obligate such Mortgagee; provided, however, that nothing in this Agreement shall be construed to permit or authorize such Mortgagee to devote the Site or any part thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided or authorized in the Redevelopment Plan, the Project Area Declaration of Restrictions, and this Agreement. If a Mortgagee elects to complete the construction of the Improvements pursuant to the terms of this Agreement, then upon prior written approval of the Executive Director of the Successor Agency, all applicable dates set forth in the Schedule of Performance shall be reasonably extended to permit such Mortgagee a reasonable time period to complete such Improvements from and after the date that such Mortgagee obtains title to the Site.

7.07 Accommodation of Mortgagees

The Successor Agency is obligated to act reasonably in all dealings with Mortgagees, to make reasonable accommodations with respect to the interests of Mortgagees, and to agree to reasonable amendments to this Agreement as reasonably requested by a prospective mortgagee and to execute any estoppels or similar documents reasonably requested by any Mortgagee or prospective mortgagee.

ARTICLE 8 - DEFAULTS AND REMEDIES

8.01 Lead Developer Default

The occurrence of any one of the following events or circumstances shall constitute an "**Event of Default**" by Lead Developer under this Agreement thirty (30) days after Lead Developer's receipt of written notice from the Successor Agency of the alleged default and opportunity to cure (unless an alternative cure period is otherwise set forth below), or in the case of a default not susceptible of cure within thirty (30) days, Lead Developer fails promptly to commence to cure such default and thereafter diligently to prosecute such cure to completion within a reasonable time, unless a different cure period is specified. Notwithstanding anything to the contrary in this Agreement, for the avoidance of doubt, no Event of Default, as included in Section 8.02, by Affordable Developer shall authorize or permit the Successor Agency to exercise any remedies against Lead Developer or excuse Successor Agency from performing its obligation to convey the Site to Lead Developer as and when required by this Agreement (except as provided in Section 2.07(b)(ii)), and Lead Developer shall have no obligations or liabilities for an Event of Default by Affordable Developer.

(a) Lead Developer suffers or permits a Transfer to occur that is not expressly allowed under or consented to pursuant to Article 6; or (b) after the Closing Date, Lead Developer allows any other person or entity (except Lead Developer's authorized representatives or as otherwise contemplated by this Agreement) to occupy or use all or any part of the Site in violation of the provisions of this Agreement;

(b) After the Closing Date, Lead Developer fails to pay real estate taxes or assessments on the Site prior to delinquency or places any mortgages, encumbrances or liens upon the Site or the Improvements thereon or any part thereof in violation of this Agreement;

(c) After the Closing Date, Lead Developer fails to commence or complete (as evidenced by issuance of a Temporary C of O for the final Phase of the Improvements), the construction of the Improvements within the times set forth in the Schedule of Performance, Attachment 5 (as such dates are extended in accordance with the terms of this Agreement including, without limitation, Section 8.09), or voluntarily abandons or suspends construction of the Improvements for more than one hundred eighty (180) consecutive days, and such failure, abandonment or suspension continues for a period of (i) thirty (30) days following the date of written notice thereof from Successor Agency as to failure to commence construction or as to a voluntary abandonment, suspension or failure to commence construction (in lieu of the general

cure period); or (ii) ninety (90 days) following the date of written notice thereof from Successor Agency as to a failure to complete construction within the time set forth in the Schedule of Performance, Attachment 5; provided that such time periods shall be extended by the Executive Director of the Successor Agency if the Successor Agency reasonably determines that Lead Developer is continuing to diligently pursue completion of the Improvements.

(d) Intentionally Omitted

(e) Lead Developer fails to pay any amount required to be paid hereunder, other than the Purchase Price for the Site;

(f) Lead Developer does not accept conveyance of the Site as and when required by, and subject to all terms and conditions of, this Agreement upon tender by or at the behest of Successor Agency pursuant to this Agreement, or Lead Developer fails to pay the Purchase Price when due, in each case provided the Developer Conditions have been satisfied and subject to Section 2.02(b). A default under this paragraph shall be immediate without the requirement of notice and an opportunity to cure;

(g) Lead Developer is in default under the Successor Agency's Equal Opportunity Program, Attachment 10; provided, however, that any rights to cure and Successor Agency's remedies for any default under the Successor Agency's Equal Opportunity Program shall be only as set forth in the Successor Agency's Equal Opportunity Program, Attachment 10;

(h) Intentionally Omitted

(i) Intentionally Omitted

(j) After the Closing Date, Lead Developer defaults in the performance of or violates any covenant, or any part thereof, set forth in Article 5 or in the Grant Deed. The language of this paragraph shall not be construed to limit the right of the Lead Developer to contest, under the terms of this Agreement, the allegation of default in the performance or violation of any covenant, or any part thereof, set forth in Article 5 or in the Grant Deed.

(k) Lead Developer fails to perform under any other agreements or obligations on Lead Developer's part to be performed under this Agreement.

8.02 Affordable Developer Default.

The occurrence of any one of the following events or circumstances shall constitute an "**Event of Default**" by Affordable Developer under this Agreement thirty (30) days after Affordable Developer's receipt of written notice from the Successor Agency of the alleged default and opportunity to cure (unless an alternative cure period is otherwise set forth below), or in the case of a default not susceptible of cure within thirty (30) days, Affordable Developer fails promptly to commence to cure such default and thereafter diligently to prosecute such cure to completion within a reasonable time, unless a different cure period is specified. Notwithstanding anything to the contrary in this Agreement, for the avoidance of doubt, no Event of Default, as included in Section 8.01, by Lead Developer shall authorize or permit the Successor Agency to exercise any remedies against Affordable Developer, and Affordable Developer shall have no obligations or liabilities for an Event of Default by Lead Developer.

(a) Affordable Developer suffers or permits a Transfer to occur that is not expressly allowed under or consented to pursuant to Article 6; or Affordable Developer allows any other person or

entity (except Affordable Developer's authorized representatives) to occupy or use all or any part of the Affordable Air Rights Parcel in violation of the provisions of this Agreement;

(b) Intentionally Omitted;

(c) Affordable Developer causes or permits a default as defined in and occurring under any other agreement between Successor Agency and Affordable Developer and fails to cure the same in accordance with such other agreement, provided that Successor Agency's remedies for a default under the other agreement between Successor Agency and Affordable Developer shall be limited to the remedies respectively set forth therein;

(d) Affordable Developer does not accept the leasehold interest of the Affordable Air Rights Parcel as and when required by, and subject to all terms and conditions of, this Agreement upon tender by Successor Agency pursuant to this Agreement, and such failure continues for a period of fifteen (15) business days following the date of written notice from Successor Agency;

(e) Affordable Developer is in default under the Successor Agency's Equal Opportunity Program, Attachment 10; provided, however, that any rights to cure and Successor Agency's remedies for any default under the Successor Agency's Equal Opportunity Program shall be only as set forth in the Successor Agency's Equal Opportunity Program, Attachment 10;

(f) Affordable Developer defaults in the performance of or violates any covenant, or any part thereof, set forth in Article 5 or in the Grant Deed. The language of this paragraph shall not be construed to limit the right of the Affordable Developer to contest, under the terms of this Agreement, the allegation of default in the performance or violation of any covenant, or any part thereof, set forth in Article 5 or in the Grant Deed.

(g) Affordable Developer fails to perform any other agreements or obligations on Affordable Developer's part to be performed under this Agreement, other than Affordable Developer's failure to perform a condition to Close of Escrow under Section 2.07, or a material breach of any representation or warranty made by Affordable Developer.

Notwithstanding the foregoing, any act or omission by Affordable Developer that would otherwise constitute an Event of Default under this Section 8.02 that is a direct result of or solely attributable to an act or omission by Lead Developer, including but not limited to failure by Lead Developer to (i) deliver the garage podium upon which the Affordable Improvements are to be built in a good and workmanlike manner in accordance with the Project Approval Documents, and (ii) fulfill Lead Developer's responsibilities as described in Section 4.02(b), shall not be an Event of Default by Affordable Developer, and Affordable Developer shall have no liability therefor.

8.03 Remedies of Successor Agency upon the Occurrence of an Event of Default by the Lead Developer

Upon the occurrence of an Event of Default by the Lead Developer, the Successor Agency shall have the remedies set forth below.

(a) Prior to Close of Escrow, the Successor Agency's sole remedy for an Event of Default by the Lead Developer shall be to retain the Good Faith Deposit as liquidated damages pursuant to and to the extent provided in Section 1.06. Lead Developer shall forfeit any right to reimbursement of the Good Faith Deposit or application of the Good Faith Deposit to the Purchase Price if Close of Escrow does not occur as a result of an Event of Default by Lead Developer.

(b) Following Close of Escrow and transfer of the Site to the Lead Developer, upon the occurrence of an Event of Default by the Lead Developer, the Successor Agency shall have the following remedies:

(i) Exclusive Right of Repurchase. In the event Lead Developer does not commence construction of the Improvements by the date specified in the Schedule of Performance (Attachment 5) (subject to the cure periods provided in Section 8.01(c) and as such date may be extended for any time attributable to Force Majeure as defined in Section 8.09), the Successor Agency shall have an exclusive right to repurchase the Site from the Lead Developer for a purchase price and otherwise on the terms and conditions of this Section 8.03(b)(i) (the "**Exclusive Right of Repurchase**"). This Exclusive Right of Repurchase shall automatically terminate immediately upon commencement of construction of the Improvements. Fair market value shall be determined through an appraisal process ("**Appraisal Process**") followed by the issuance of a request for proposals to be issued by the Successor Agency as described below ("**RFP Process**").

The Appraisal Process shall be as follows:

i. Each party shall, at their own expense, designate a real estate broker with at least ten (10) years' experience in leasing comparable commercial properties in the San Francisco market. If either party fails to designate their real estate broker as set forth in this subparagraph within twenty-one (21) days after Successor Agency delivers written notice to Lead Developer of its exercise of the right to repurchase under this Section, then the real estate broker selected by the other party shall act alone and his/her determination shall be binding.

ii. The two (2) real estate brokers selected by the parties (the "**Party Brokers**") shall each select a similarly qualified, independent real estate broker, whose expenses shall be shared equally by Lead Developer and Successor Agency (the "**Neutral Broker**"). If the Neutral Broker cannot be agreed to by the parties, then the American Arbitration Association, or any successor organization, shall select the Neutral Broker in accordance with its rules and procedures and subject to California law regarding the selection of arbitrators. The parties shall jointly share the fees charged by the American Arbitration Association.

iii. The Party Brokers selected by the parties shall, after soliciting, accepting and reviewing such information and documentation as they may deem necessary and appropriate, including that submitted by either party, within thirty (30) days after appointment, prepare a statement of what they consider the fair market value of the Site.

iv. Once the two (2) Party Brokers reach their conclusions, then the Neutral Broker shall select the fair market value opinion that he or she determines to be closest to the actual fair market value, without averaging or otherwise compromising between the two values, and the amount so selected shall be the purchase price that is binding on the parties ("**FMV**").

The RFP Process shall be as follows: Following the determination of the FMV, the Successor Agency shall issue a request for proposals for the Site and shall require a minimum bid that is the greater of 90% of the FMV or Fifty-Six Million Three Hundred and Fifty Thousand Dollars ($56,350,000) (the "**Minimum Bid**") to qualify as a potential purchaser of the site. If no qualified proposals are received that meet the Minimum Bid, then Successor Agency, in its sole discretion, shall have the right to dispose of the Site for a lesser amount. Repurchase of the Site shall occur after the new developer ("**New Developer**") selected through the RFP Process has deposited into escrow its purchase price for the Site determined through the RFP Process ("**Repurchase Payment**"). Simultaneously upon Successor Agency's receipt of

the Repurchase Payment from the New Developer, (a) Successor Agency shall transmit to Lead Developer an amount (the "**Buy-Back Price**") that is the lesser of the Purchase Price or the Repurchase Payment from the New Developer; and (b) Lead Developer shall convey fee simple title to the Site to Successor Agency (or its designee); and (c) the balance of the Repurchase Payment (if any) shall be released to Successor Agency.

To exercise its rights under this subsection, Successor Agency shall deliver to Lead Developer a written notice of an Event of Default with respect to the failure to timely commence construction of the Improvements, notifying the Lead Developer of the Successor Agency's intent to (i) exercise its Exclusive Right of Repurchase and (ii) record the Notice of Exclusive Right of Repurchase on the Site (Attachment 12). The Successor Agency and any New Developer or other entity that acquires the Site after the Successor Agency's exercise of this Exclusive Right of Repurchase shall acquire the Site in its then-existing as-is condition, subject to any then-existing encumbrances other than Mortgage(s) placed on the Site by Lead Developer.

This Exclusive Right of Repurchase shall terminate when the Lead Developer has commenced construction of the Improvements.

(ii) Other Remedies. Upon the occurrence of an Event of Default by the Lead Developer after the Close of Escrow, the Successor Agency shall be entitled to exercise all remedies permitted by law or at equity, excluding actions for consequential damages.

(iii) Additional Remedies of Successor Agency. The remedies provided for herein for an Event of Default by the Lead Developer after the Close of Escrow are in addition to and not in limitation of other remedies including, without limitation, (A) those provided in the Grant Deed and elsewhere in violation of the covenants set forth in Article 5; (B) the remedies set forth in the Equal Opportunity Program; and (C) the remedies set forth in the Prevailing Wage Provisions.

(c) Limitation on Personal Liability of Developer. No owner, manager, partner, officer, director, member, official or employee of either Developer shall be personally liable to the Successor Agency, or any successor in interest, for any default by such Developer or for any obligations under the terms of this Agreement.

8.04 Remedies of Successor Agency Upon the Occurrence of an Event of Default by the Affordable Developer

Any Event of Default by the Affordable Developer under this Agreement will be considered an Event of Default under any agreements related to the development of the Affordable Project and/or Affordable Improvements between the Affordable Developer and the Successor Agency or MOHCD (the "**Associated Documents**"). Accordingly, upon the occurrence of an Event of Default by the Affordable Developer, Successor Agency and MOHCD will be able to exercise any and all remedies provided for in the Associated Documents. Additionally, upon the occurrence of an Event of Default by the Affordable Developer, the Successor Agency may propose a substitute Affordable Developer to the Lead Developer, who shall have the right to reasonably approve the substitute developer. Notwithstanding such approval rights, the Lead Developer must work with the Successor Agency to identify and approve a substitute developer upon the occurrence of an Event of Default by the Affordable Developer in a timely manner so as not to affect the construction schedule and result in a Lead Developer Event of Default.

8.05 Intentionally Omitted

8.06 Successor Agency Default

The occurrence of any one of the following events or circumstances shall constitute an "**Event of Default**" by the Successor Agency under this Agreement:

(a) Successor Agency fails to convey the Site to Lead Developer in violation of this Agreement, pursuant to Section 2.09; or

(b) Successor Agency fails to convey the leasehold interest in the Affordable Air Rights Parcel to Affordable Developer as and when required, and on the terms and conditions of, this Agreement, and such failure continues for a period of ten (10) days following the date of written notice thereof from the Affordable Developer; or

(c) Successor Agency fails to perform any other agreements or obligations on Successor Agency's part to be performed under this Agreement, and such failure continues for the period of time for any cure or the expiration of any grace period specified in this Agreement therefor, or if no such time or grace period is specified, within thirty (30) days after the date of written demand by Lead Developer to Successor Agency to perform such agreement or obligation, or, in the case of a default not susceptible of cure within thirty (30) days, Successor Agency fails promptly to commence to cure such default and thereafter diligently to prosecute such cure to completion within a reasonable time.

8.07 Remedies of Lead Developer and Affordable Developer.

For an Event of Default by the Successor Agency hereunder, the Lead Developer and Affordable Developer each shall have the following remedies:

(a) Limitation on Damages. Successor Agency shall not be liable to Lead Developer or Affordable Developer for damages caused by any default by Successor Agency, including general, special, or consequential damages, or to expend money to cure a default by Successor Agency, except as provided in subparagraph (e) below, and subject to the limitations contained in subparagraph (d) below.

(b) Specific Performance. Subject to the provisions of subparagraph (e) below, Lead Developer and Affordable Developer shall have the right to institute legal action for specific performance of the terms of this Agreement to the extent that such action is available at law or in equity with respect to such default.

(c) Other Remedies. Subject to subparagraphs (a), (b) and (d), Lead Developer and Affordable Developer shall be entitled to exercise all other remedies permitted by law.

(d) Non-liability of Successor Agency Members, Officials and Employees. No member, official or employee of Successor Agency, City or TJPA shall be personally liable to Lead Developer or Affordable Developer, or any successor in interest, for any default by Successor Agency, City or TJPA or for any amount which may become due to Lead Developer or Affordable Developer or any successor in interest under the terms of this Agreement.

(e) Return of Good Faith Deposit. If Close of Escrow does not occur solely as a result of the failure of a Developer Condition, Successor Agency shall be liable for return of the Good Faith Deposit; Successor Agency shall have no liability for money except as provided in this Section 8.07(e).

8.08 Rights and Remedies Cumulative

Except with respect to rights and remedies expressly declared to be exclusive or sole remedies in this Agreement, the rights and remedies of the parties to this Agreement, whether provided by law, in equity or by this Agreement, shall be cumulative, and the exercise by either party of any one or more of such rights or remedies shall not preclude the exercise by such parties of any other or further rights or remedies for the same or any other default or breach by the other party. No waiver made by either party with respect to the performance, or manner or time thereof, of any obligation of the other party or any condition to its own obligation under this Agreement shall be effective beyond the particular obligation of the other party or condition to its own obligation expressly waived and to the extent thereof, or a waiver in respect to any other rights of the party making the waiver or any other obligations of the other party.

8.09 Force Majeure/Extensions of Time

(a) Force Majeure.

(i) Before Closing Date. Neither Successor Agency, Lead Developer nor Affordable Developer, as the case may be, nor any successor in interest ("**Delayed Party**", as applicable) shall be considered in breach of or default in any obligation or satisfaction of a Developer Condition or Agency Condition, and all applicable dates set forth in the Schedule of Performance prior to the Closing Date and all time periods for performance of any obligations or covenants set forth in this Agreement prior to the Closing Date (to the extent that performance of such obligations and covenants, or satisfaction of such conditions are delayed by Force Majeure), shall automatically be extended for any period of Force Majeure; provided, however, Force Majeure shall apply only if (x) the Delayed Party seeking the benefit of the provisions of this Section has notified the other party in writing no later than ten (10) business days after any one of the persons identified as receiving notice under this Agreement or Lead Developer's construction project manager (Chaim Elkoby) learns of the enforced delay, stating the cause or causes thereof and specifying the required extension for the period of the enforced delay, and (y) the period of enforced delay may not exceed an initial period of six (6) months, provided that such six (6) month period shall be extended for up to four (4) additional periods of three (3) months each so long as the Delayed Party is working diligently and in good faith, in a commercially reasonable manner, to remedy the conditions that result from the Force Majeure, to the extent within the Delayed Party's reasonable control; provided, further, that any delay caused by the failure of Caltrans or the City to deliver any documents necessary for the conveyance of the entire Site to Lead Developer and/or relinquishment of right, title and interest of Caltrans and/or the City in the Site, as required by this Agreement, for any reason shall not be deemed Force Majeure but shall extend the Target Closing Date and Outside Closing Date as provided in Section 2.02(b). If such period extends for more than six (6) months, as such period may be extended as provided in the preceding sentence, then either Successor Agency or Lead Developer, by written notice to the other, may terminate this Agreement, whereupon the Good Faith Deposit shall promptly be returned to Lead Developer and the parties shall have no further liabilities or obligations under this Agreement arising or accruing following such termination. "**Force Majeure**" for purposes of this Section 8.09(a)(i) (with respect to pre-Closing Date obligations) means events that cause enforced delays in the Delayed Party's performance of its obligations to be performed prior to or on the Closing Date under this Agreement due to one or more of the following causes, to the extent the cause is beyond the Delayed Party's reasonable control: acts of God or of a public enemy, acts of Government (which the parties acknowledge does not include acts of government acting its regulatory capacity over the Project except to the extent identified in Section 2.07), fires, floods, earthquakes, war, civil commotion, riots, strikes, picketing or other labor disputes, epidemics, quarantine restrictions, freight embargoes, inability to obtain supplies or materials or reasonably acceptable substitute supplies or materials (provided that the Delayed Party has ordered such materials on a timely basis), unusually severe weather, substantial interruption of work because of labor disputes, administrative appeals, litigation and arbitration not initiated by the Delayed Party or an entity under the Delayed Party's control (provided in each such case that the Delayed Party proceeds with commercially reasonable due diligence to resolve any dispute that is the subject of such action, and in no event shall Force Majeure

include any administrative or judicial challenge to the validity or enforcement of the CFD), or delays of subcontractors due to any of these causes. Notwithstanding the foregoing, as to obligations and conditions required prior to Close of Escrow, Force Majeure shall not include delays caused by administrative appeals, litigation and arbitration, or delays other than those that prevent (A) the Successor Agency from performing its obligations under Sections 2.01, 2.02, 2.03, or 2.06(a), or (B) Lead Developer from obtaining a policy of title insurance at Close of Escrow in the form required by Section 2.07(a)(iv).

(ii) After Closing Date. No Delayed Party shall be considered in breach of or default in any obligation or satisfaction of a condition to an obligation of another party required to be performed by the Delayed Party after the Closing Date, in the event of Force Majeure, and all applicable dates set forth in the Schedule of Performance that apply to the period after the Closing Date, and all time periods for performance of any obligations or covenants set forth in this Agreement to be performed after the Closing Date (to the extent that performance of such activities, obligations and covenants are delayed by Force Majeure), shall automatically be extended for any period of Force Majeure. "**Force Majeure**" for purposes of this Section 8.07(a)(ii) (with respect to post-Closing Date obligations) means events that cause enforced delays in the Delayed Party's performance of its obligations hereunder to be performed after the Closing Date due to any of the following: causes beyond the Delayed Party's reasonable control, including acts of God or of a public enemy, acts of terrorism, acts of Government, earthquakes, tsunamis, fires, floods, epidemics, quarantine restrictions, freight embargoes, inability to obtain supplies or materials or reasonably acceptable substitute supplies or materials (provided that the Delayed Party has ordered such materials on a timely basis), inability, through no fault of the Delayed Party, to obtain the issuance and subsequent sale of tax exempt mortgage revenue bonds, credit enhancement of such bonds, if necessary, allocation of low income housing tax credits, or construction financing on Commercially Reasonable Terms ("**Commercially Reasonable Terms**" shall mean, without limitation, (i) non-recourse (except as against the Site and assuming acceptance of standard terms typically required by an institutional lender), (ii) loan-to-cost equal to 70%, and (iii) maximum interest rate of LIBOR + 300 points) from an institutional and reputable third party construction lender, inability through no fault of Delayed Party and despite Delayed Party's commercially reasonable, good faith, and industry standard efforts (including without limitation adherence to the Schedule of Performance except where delayed by other Force Majeure events), to obtain any permits required for construction of any of the Improvements, unusually severe weather, archeological finds on the Site, substantial interruption of work because of labor disputes, administrative appeals, litigation or arbitration where the administrative appeal, litigation, or arbitration is not initiated by the Delayed Party or by an entity under the Delayed Party's control and that is not a challenge to the validity or enforcement of the CFD (provided in each such case that, to the extent that it is in its reasonable control to do so, the Delayed Party proceeds with commercially reasonable due diligence to resolve any dispute that is the subject of such action), or delays of contractor, subcontractors and/or by materialmen, it being the purpose and intent of this provision that in the event of the occurrence of any such enforced delay, the time or times for performance of the obligations of Successor Agency or either Developer under this Agreement to be performed after the Closing Date (and the dates set forth in the Schedule of Performance) shall be extended for the period of the enforced delay; provided, however, that within ten (10) business days after any one of the persons identified as receiving notice under this Agreement or the Lead Developer's construction project manager (Chaim Elkoby) learns of the enforced delay, the party seeking the benefit of the provisions of this Section shall have first notified the other party thereof in writing, stating the cause or causes thereof and specifying the required extension for the period of the enforced delay.

(b) Extensions by the Executive Director. The Executive Director of the Successor Agency, with prior notice to the TJPA, may extend the time for Lead Developer's and Affordable Developer's performance of any term, covenant or conditions of this Agreement or permit the curing of any default (beyond the cure periods expressly provided in this Agreement) upon such terms and conditions as Successor Agency determines appropriate, from time to time, without the necessity for further Commission action, so long as (i) Close of Escrow is not extended past October 15, 2015 and (ii) the cumulative

extensions of any particular item do not exceed a total of twelve (12) months after the original dates in the Schedule of Performance; provided, however, that any such waiver or extension or permissive curing of any particular default shall not release any of Development Team's obligations nor constitute a waiver of Successor Agency's rights with respect to any other term, covenant or condition of this Agreement or any other default in, or breach of, this Agreement.

8.10 Other Rights and Remedies

The rights and remedies provided to Successor Agency and Lead Developer and Affordable Developer in this Article 8 are in addition to and not in derogation of other rights and remedies found in this Agreement and in the Grant Deed, but not set forth in this Article 8, but in no event shall Successor Agency have any liability for money or to expend money except as provided in Section 8.07(e).

8.11 General

(a) Subject to the limitations thereon contained in this Agreement, either party may institute legal action to cure, correct or remedy any default, or to obtain any other remedy consistent with the terms of this Agreement. Such legal actions shall be instituted in the Superior Court of the City and County of San Francisco, State of California, and any other appropriate court in that City and County or, if appropriate, in the Federal District Court in San Francisco, California.

(b) In the event that any legal action is commenced by either Developer against Successor Agency, service of process on Successor Agency shall be made by any legal service upon the Executive Director of Successor Agency, or its counsel, or in such other manner as may be provided by law. In the event that any legal action is commenced by Successor Agency against such Developer, service of process on such Developer shall be made by personal service upon such Developer at the address provided for Section 12.03 or at such other address as shall have been given to Successor Agency by such Developer pursuant to Section 12.03 of this Agreement, or in any other manner as may be provided by law, and shall be valid whether made within or without the State of California.

ARTICLE 9 - SPECIAL TERMS, COVENANTS AND CONDITIONS

9.01 Mitigation Measures

The Lead Developer and Affordable Developer, subject to Section 4.02(b) of this DDA, agree that the construction and subsequent operation of all or any part of the Improvements shall be in accordance with the mitigation measures set forth in the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project Final Environmental Impact Statement/Environmental Impact Report (**"EIS/EIR"**) and included as Attachment 9, Mitigation Measures. Additionally, the Lead Developer and Affordable Developer shall provide, to the entity, or entities, specified in Attachment 9, any required reports detailing the mitigation measures implemented by the Lead Developer, Affordable Developer and/or their contractors at the Site during demolition and construction of the Improvements until Completion of Construction, and through operation of the Improvements as applicable. As appropriate, these mitigation measures shall be incorporated by the Lead Developer and Affordable Developer into any contract for the construction or operation of the Improvements.

9.02 Proposed Districts

(a) Community Benefit District.

(i) The Greater Rincon Hill Community Benefit District (**"CBD"**) is now

under consideration for adoption by property owners in the Transit Center District to help finance community services and the maintenance of public improvements in the Transbay District (as defined in the CBD), including the rooftop park on the Transit Center. The CBD will help fund activities and improvements such as community services and maintenance of public improvements in the Transbay District to benefit the properties in the CBD, including maintenance of the rooftop park on the Transit Center.

(ii) If Lead Developer has the right to vote on a CBD that would require Lead Developer to pay an assessment for the Site and the Improvements that does not exceed the "Fair Share of Costs" (as defined below) attributable to the Site and the Improvements then Lead Developer shall cast its ballot in favor of the CBD.

"Fair Share of Costs" shall be as required in Proposition 218, meaning a portion of the costs described in Section 9.02(a)(i) that reflects a fair and equitable allocation of such costs amongst properties within the zone of special benefit of the public improvements in the Transbay District.

(iii) Lead Developer waives and releases any and all rights, claims, losses, injuries, costs, damages, or causes of action that it may have now or in the future to challenge the initial assessment rates of the CBD, provided that the CBD does not require Lead Developer to pay an initial assessment that exceeds the rates stated in Section 9.02(a)(ii). This waiver and release is a general release. Developer is aware of California Civil Code Section 1542, which reads as follows:

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

To give full force and effect to the above general release, Lead Developer hereby expressly, knowingly, and voluntarily waives all the rights and benefits of Section 1542 and any other similar law of any jurisdiction. By placing its initials below, Lead Developer specifically acknowledges and confirms the validity of the releases made above and the fact that Lead Developer was represented by counsel who explained, at the time this Agreement was made, the consequences of the above releases.

MW

Lead Developer acknowledges the above general release.

(b) Mello-Roos Community Facilities District.

(i) The Improvements shall be subject to the provisions of the City and County of San Francisco Transbay Center District Plan [Mello-Roos] Community Facilities District No. 2014-1 (Transbay Transit Center) ("**CFD**"), to help pay the costs of constructing the new Transbay Transit Center, the Downtown Rail Extension ("**DTX**"), and other infrastructure in the Transit Center District Plan area. Participation in the CFD is required because the Development Team has been granted the right to build the Improvements at a significantly greater density than would have been allowed under the zoning regulations in effect before adoption of the Transbay Redevelopment Plan, and because the infrastructure funded by the CFD will have direct benefits for, and considerable value to, the Improvements. The special tax rates have been finally established as of the effective date of this Agreement, as set forth in the CFD Rate and Method of Apportionment ("**RMA**") attached hereto as Attachment 17.

(ii) If the Improvements are not subject to a CFD that will help pay the costs of constructing the new Transbay Transit Center, the DTX, and other improvements in the Transit Center District Plan area on the date that a final certificate of occupancy is issued for the Improvements, then the

Lead Developer shall pay to the City for transmittal to the TJPA, or retention by the City as applicable, the estimated CFD special tax amount that otherwise would have been due to the San Francisco Office of the Assessor-Recorder ("**Assessor-Recorder**"), and on the same payment schedule that would have been required, if the CFD had been established on the date that the final certificate of occupancy is issued for the Improvements.

(iii) The "**amount that otherwise would have been due**" under Section 9.02(b)(ii) above shall be the amount that would have been due under the RMA (Attachment 17), calculated as if the Improvements were subject to the RMA from, and after, the date of issuance of the final certificate of occupancy for the Improvements until the Improvements are subject to the CFD.

(iv) Lead Developer waives and releases any rights it may have now or in the future to challenge the legal validity of the CFD or any part of the CFD. This waiver and release is a general release. Lead Developer is aware of California Civil Code Section 1542, which reads as follows:

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

To give full force and effect to the above general release, Lead Developer hereby expressly, knowingly, and voluntarily waives all the rights and benefits of Section 1542 and any other similar law of any jurisdiction. By placing its initials below, Lead Developer specifically acknowledges and confirms the validity of the releases made above and the fact that Lead Developer was represented by counsel who explained, at the time this Agreement was made, the consequences of the above releases.

_____
Lead Developer acknowledges the above general release

9.03 Affordable Housing Requirements

(a) Affordable Housing in Project.

Per Section 5027.1 of the California Public Resource Code and the Implementation Agreement, 35% of all the housing built in the Project Area shall be affordable to persons and families with very-low, low-, or moderate-incomes. The Redevelopment Plan proposed to meet this requirement in two ways: (1) 15% of units constructed in all new market-rate housing developments within the Project Area containing more than 10 units must be affordable to qualifying persons and families (the "**Inclusionary Housing Requirement**"); and (2) the balance of the affordable housing units necessary to meet the 35% requirement will be provided in stand-alone affordable housing projects.

(b) Affordability Restrictions.

All units (except for the required number of manager's units pursuant to the regulations set forth by The California Tax Credit Allocation Committee ("**CTCAC**")) in the Affordable Project shall be affordable to households earning no more than fifty percent (50%) of Area Median Income, adjusted solely for household size as determined annually by MOHCD. Fifteen percent (11 units) of the affordable units in the 80/20 Project shall be affordable to households earning no more than forty percent (40%) of Area Median Income as determined annually by CTCAC, and 85% (59 units) of the affordable units (except for the required number of manager's units pursuant to the guidelines set forth by CTCAC) in the 80/20 Project shall be affordable to households earning no more than fifty percent (50%) of Area Median Income as determined annually by MOHCD (the "**BMR Units**"). The BMR Units will remain as affordable units at

the initial level of affordability for the life of the Project consistent with the Declaration of Affordability Restrictions attached to this Agreement as Attachment 21. The total amount for rent and utilities (with the maximum allowance for utilities determined by the San Francisco Housing Authority) charged to a Qualified Tenant may not exceed: thirty percent (30%) of the applicable Median Income set forth above, adjusted solely for household size; or the fair market rent established by the San Francisco Housing Authority for Qualified Tenants holding Section 8 vouchers or certificates.

The unit mix of the BMR Units shall be proportionally the same as the unit mix of the market-rate units in the 80/20 Project (based solely on the number of bedrooms in a unit). Notwithstanding anything to the contrary in this Agreement (including without limitation Section 5.04), Successor Agency agrees that the affordable units in the Affordable Project and 80/20 Project all will be located on the first seven floors of the Project, and the location of units on those floors and/or as otherwise shown in the schematic drawings and other plans and designs for the Project as approved by Successor Agency will not violate the requirements of this Agreement. The interior features of the BMR Units shall be of good quality and consistent with current industry standards for new multi-family rental housing. Parking for the BMR Units shall be provided at the same ratio of parking spaces to residential units as the market-rate units in the 80/20 Project The marketing and lease-up of the BMR Units will comply with all OCII rules and regulations, including but not limited to, occupancy preferences for Certificate of Preference and Ellis Act Housing Preference holders: provided, however, that such preferences shall not be required to be provided to the extent granting such preferences will cause the Affordable Project to be in violation of the Fair Housing Act, the requirements of the tax exempt bond law and regulations and/or the tax credit laws and regulations.

The units in the Affordable Project shall be a mix of one, two, and three-bedroom units, but in no event shall the number of three-bedroom units in the Affordable Project be less than 30% of the total number of units in the Affordable Project. Parking for the Affordable Project shall be provided at a ratio that is not less than one parking space for every four units in the Affordable Project.

(c) Financing for the Affordable Project

At the closing of Lead Developer's construction loan, the Successor Agency shall provide a subsidy of up to $200,000 per unit for each of the 80 units in the Affordable Project through one or more affordable housing loans between the Successor Agency and the Affordable Developer ("**Successor Agency Loans**"). In addition to the Purchase Price, the Lead Developer shall provide any additional subsidy required to complete the Affordable Project and maintain its affordability in compliance with Section 9.03(b) above after all non-Successor Agency funding sources available for affordable housing have been secured by the Affordable Developer. All funding sources used by the Affordable Developer must comply with the most recent version of the Successor Agency's and MOHCD's underwriting guidelines and polices, included as Attachment 22 (MOHCD Underwriting Guidelines), and Attachment 23 (MOHCD Developer Fee Policy-Tax Credit Projects), as well as those policies and procedures on the MOHCD website (http://sf-moh.org/index.aspx?page=25) as applicable based on housing type. Other than the Successor Agency Loans, there will be no additional subsidy from the Successor Agency or MOHCD; neither the Successor Agency nor MOHCD shall be responsible for any cost over-runs associated with the Affordable Project. The parties acknowledge that the Affordable Project will not include any commercial space.

Lead Developer and Affordable Developer must cooperate with the Successor Agency to seek Citywide Affordable Housing Loan Committee and Commission approval of the financing plan and Successor Agency Loans, and shall attend any hearings related to these approvals.

Lead Developer, working with the Affordable Developer consistent with the terms of the Memorandum of Understanding shall provide a predevelopment budget and proposed permanent

development budget for the Affordable Project fourteen (14) days after Commission approval of the DDA; the budgets shall be in the Universal Application format and in a form acceptable to Successor Agency.

(d) Proposed Affordable Housing Financing Structures

If the Lead Developer elects to utilize a bond financing structure for the BMR Units and/or the Affordable Project, the Lead Developer, with the assistance of the Affordable Developer, will work with Successor Agency staff to submit an application to the California Debt Limit Allocation Committee ("**CDLAC**") for an allocation of tax exempt bond funding. The Successor Agency shall take all actions necessary on its part to be taken with respect to preparing and filing the application for the allocation of tax exempt bonds so that Lead Developer shall at all times be in compliance with the Schedule of Performance. After an allocation is granted by CDLAC the Project will have approximately 110-days from such allocation to issue the tax exempt bonds. During the period after the allocation of bond volume cap and prior to the expiration of the approximate 110-day period, Lead Developer, Affordable Developer and Successor Agency staff will work with the Lead Developer's counsel, Affordable Developer's counsel, Bond Counsel, a Financial Advisor, and the City Attorney to prepare bond documents which include: a City Regulatory Agreement; Indenture Agreement; and, a Borrower Loan Agreement in "substantially final form." The Board of Supervisors acting for and on behalf the City, acting through MOHCD, shall adopt an inducement/reimbursement resolution (the "**Issuance Resolution**") and timely publish notice of and conduct a TEFRA Hearing approving the issuance of the tax exempt bonds and thereafter the City shall issue the bonds. Regardless of the financing structure, the Project will be subject to an affordability restriction, through the recording of a Declaration of Restriction, that will require the BMR Units to remain as affordable units at the initial level of affordability for the life of the Project.

9.04 Streetscape Improvements

(a) Design and Construction; Reimbursement of Costs

The Lead Developer shall complete or cause to be completed the design and construction of the Streetscape Improvements (as defined in Attachment 6, Scope of Development). Upon issuance of a Determination of Completion from the City for the Streetscape Improvements, the Successor Agency shall, subject to the appropriation and approval of funds by the Successor Agency's governing bodies (provided that Successor Agency agrees to include such reimbursement amount in its Recognized Obligations Payment Schedule (ROPS) submitted to DOF for each period from the Effective Date until it is paid), reimburse the Lead Developer or its successor buyer for the actual and reasonable cost of the Streetscape Improvements up to TWO MILLION DOLLARS AND 00/100 ($2,000,000). Any costs incurred to complete the streetscape improvements as provided under the Streetscape Plan in excess of $2,000,000 shall be the sole responsibility of the Lead Developer.

(b) Maintenance

The Lead Developer shall maintain or cause to be maintained the Streetscape Improvements in compliance with the laws of the State of California and the Ordinances and Regulations of the City and County of San Francisco. The Lead Developer shall pay an appropriate percentage of the maintenance costs for the Streetscape Improvements, and the Affordable Developer shall pay the balance of the maintenance costs of the Streetscape Improvements, which allocation will be more particularly set forth in the REA and approved by the Successor Agency.

9.05 Shared Open Space

(a) Design and Construction

The Lead Developer, in collaboration with the Affordable Developer pursuant to the Memorandum of Understanding, shall complete or cause to be completed the design and construction of the Shared Open Space (as defined in Attachment 6, Scope of Development). The Lead Developer shall pay an appropriate percentage of the cost of the design and construction of the Shared Open Space, and the Affordable Developer shall pay the balance of the design and construction costs related to the Shared Open Space, which allocation will be more particularly set forth in the REA and approved by the Successor Agency.

(b) Maintenance

The Lead Developer shall maintain or cause to be maintained the Shared Open Space in compliance with the laws of the State of California and the Ordinances and Regulations of the City and County of San Francisco. The Lead Developer shall pay an appropriate percentage of the maintenance costs for the Shared Open Space, and the Affordable Developer shall pay the balance of the maintenance costs for the Shared Open Space, which allocation will be more particularly set forth in the REA and approved by the Successor Agency. Notwithstanding the foregoing, the costs to maintain the Shared Open Space can be allocated based on an alternative calculation acceptable to each of the Parties, in its reasonable discretion, and as approved by the Successor Agency and/or MOHCD.

9.06 Shared Underground Parking Garage

The Lead Developer shall complete or cause to be completed the design and construction of the "**Garage**" (as defined in Attachment 6, Scope of Development). The Lead Developer shall pay an appropriate percentage of the design, construction, and operation of the Garage. The Lead Developer shall be responsible for all costs associated with the design, construction, and operation of the Car Share Spaces (as defined in Attachment 6, Scope of Development).

The Affordable Developer shall be responsible for the balance of the design, construction, and operation costs related to the Garage, with such allocation in accordance with the REA and as approved by the Successor Agency.

9.07 Grocery Store. The development program for the Site currently includes an approximately 12,500-square-foot grocery store on the at grade and basement levels of the Improvements (the space allocated to such store in the development program being defined as the "**Grocery Space**"). The Lead Developer agrees to design the Improvements to accommodate, and use good faith efforts to obtain as a tenant, a grocery store acceptable to Lead Developer (an "**Acceptable Grocery Tenant**"). Such good faith efforts shall include (i) hiring a listing agent to market the Grocery Space, (ii) providing appropriate staffing for such efforts, and (iii) quarterly reporting to Successor Agency, which reporting shall include market surveys, a description of Lead Developer's outreach efforts to potential Acceptable Grocery Tenants, and a description of any barriers Lead Developer has encountered in its outreach efforts. If the Lead Developer is unable, despite such good faith efforts, to enter into a lease with an Acceptable Grocery Tenant on commercially reasonable terms acceptable to Lead Developer at least twelve (12) months prior to the anticipated Completion Date of the Phase that includes the Grocery Space, then Lead Developer may seek approval from the Commission to terminate its obligations under this Section 9.07, which approval shall not be unreasonably withheld, conditioned or delayed.

ARTICLE 10 – SUCCESSOR AGENCY EQUAL OPPORTUNITY PROGRAM

Lead Developer and Affordable Developer will comply with the Successor Agency's Equal Opportunity Program, as described in this Article 10 and in Attachment 10, and will submit all

documents required pursuant to the policies included in Attachment 10 (the "**Equal Opportunity Program**"), pursuant to the Schedule of Performance, Attachment 5.

(a) Non-Discrimination

(i) Non-Discrimination in Benefits. Developers do not as of the date of this Agreement and will not during the term of this Agreement, in any of their operations in San Francisco or with respect to their operations under this Agreement (i.e., providing services related to the Development project) elsewhere in 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 the 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 had been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in the Successor Agency's Non-Discrimination in Contracts and Benefits Policy, adopted September 9, 1997, as amended February 4, 1998 as set forth in Attachment 10.

(ii) Elimination of Discriminatory Restrictions. Lead Developer and Affordable Developer agree to take and to permit the Successor Agency to take all steps legally necessary or appropriate to remove restrictions against the Site, if any, that would violate any of the non-discrimination provisions of this Section, whether the restrictions are enforceable or not.

(b) Compliance with Minimum Compensation Policy and Health Care Accountability Policy. The Successor Agency finds that it has a significant proprietary interest in the Site that is being transferred to the Lead Developer and Affordable Developer, pursuant to this Agreement. Lead Developer and Affordable Developer will comply with the applicable provisions of the Successor Agency's Minimum Compensation Policy ("**MCP**"), included in Attachment 10, and Health Care Accountability Policy ("**HCAP**"), included in Attachment 10, adopted by Agency Resolution No. 168-2001 on September 25, 2001, as these policies may be amended from time to time (jointly, the "**Policies**"). The requirements of the Policies include the following:

(i) the payment of the "Minimum Compensation" specified in MCP Section 3 to all "Covered Employees," as defined under MCP Section 2.7, who work on the Project, who are employed by Lead Developer, Affordable Developer, or by any of their subcontractors who enter into an "Included Subcontract" (as defined in Attachment 10).

(ii) the payment of one of the health care benefit options described in HCAP Section 3 as to all "Covered Employees," as defined under HCAP Section 2.7, who work on the Project, who are employed by Lead Developer, Affordable Developer or by any of their subcontractors who enter into an "Included Subcontract" (as defined in Attachment 10).

(c) Small Business Enterprise and Workforce Agreements. Lead Developer, Affordable Developer and the Successor Agency acknowledge that the Project will create employment opportunities at all levels, including opportunities for qualified economically disadvantaged small business enterprises, qualified economically disadvantaged Project Area residents and San Francisco residents. In recognition of these opportunities, Lead Developer and Affordable Developer shall develop and implement the Small Business Enterprise Agreement described in Attachment 10, the Construction Workforce Agreement described in Attachment 10, and the First Source Hiring Agreement described in Attachment 10.

Successor Agency shall rely on the Office of Economic and Workforce Development -

CityBuild ("**CityBuild**") to implement the Construction Workforce Agreement, the First Source Hiring Agreement, and the Trainee Hiring Goal in the Small Business Enterprise Agreement, all as described in Attachment 10; accordingly, Lead Developer shall execute an agreement with CityBuild to fund CityBuild's staff costs for such services, up to a maximum of One Hundred Sixty One Thousand Seventy Dollars ($161,070) of staff costs for every Five Hundred Million Dollars ($500,000,000) in total Project costs.

(d) Prevailing Wages (Labor Standards). The Parties acknowledge that the development of the Project is a private work of improvement on public land. Lead Developer and Affordable Developer agree to pay or cause to be paid prevailing rates of wages in accordance with the requirements set forth in Attachment 10 for construction work done at the Site prior to the issuance of the City's final certificate of occupancy for the Improvements.

ARTICLE 11 – INTENTIONALLY DELETED

ARTICLE 12 - GENERAL PROVISIONS

12.01 Indemnification

Lead Developer and Affordable Developer, as applicable, shall indemnify, defend, and hold harmless the Successor Agency, the City, the TJPA and their respective members, officers, agents and employees (the "**Indemnitee Parties**") from and against any losses, costs, claims, damages, liabilities and causes of action (including reasonable attorney's fees and court costs) related to the Site arising out of: (i) the actions of the Lead Developer or Affordable Developer, as applicable, after the Close of Escrow, (ii) any challenge to the entitlement of the Lead Developer or Affordable Developer to undertake the program described in the Scope of Development, (iii) related to the death of or injury to any person or damage to any property occurring on the Site during the construction of the Improvements by Lead Developer, or (iv) related to the death of or injury to any person or damage to any property occurring on the Site after the Close of Escrow; provided, however, that the foregoing indemnity and defense obligations in clauses (i) through (iv) shall not apply to any losses, costs, claims, damages, liabilities or causes of action (including reasonable attorneys' fees and court costs) (I) to the extent the same are due to the gross negligence or willful misconduct of the person or party seeking to be indemnified (Agency, the City or TJPA, as the case may be), or its respective agents, employees or contractors; (II) arising out of or related to any acts or omissions of Caltrans or SFCTA, their employees, agents, contractors or representatives, in connection with the Off-Ramp Work or any other work or activity on or adjacent to the Site; or (III) arising out of any default under this Agreement by the person or party seeking to be indemnified, or its respective agents, employees or contractors (collectively, "**Indemnity Exclusions**"); but further provided that the Successor Agency may require that the applicable Developer defend the Indemnitee Parties against claims pursuant to this Section until it is established that such claims are Indemnity Exclusions; provided, the Successor Agency and Indemnitee Parties shall reimburse the applicable Developer such defense costs in proportion to the degree of the negligence or fault of such parties. Lead Developer's obligations under this Section 12.01 shall survive Successor Agency's recordation of the Notice of Termination as to any acts or omissions occurring prior to such recordation. The indemnification obligations by Lead Developer and Affordable Developer shall, for each Developer, only apply to its own acts or omissions, or to its own Ownership Parcel(s), as applicable.

12.02 Provisions with Respect to Time Generally

All references in this Agreement to time limitations, including those in the Schedule of Performance, shall mean such time limitations as they may be extended pursuant to the terms of this Agreement.

12.03 Notices

Any notice, demand or other communication required or permitted to be given under this Agreement by either party to the other party shall be sufficiently given or delivered if transmitted by (i) registered or certified United States mail, postage prepaid, (ii) personal delivery, (iii) nationally recognized private courier services, or (iv) facsimile transmission, provided that, in such case, a confirming copy is sent by first class mail or pursuant to subsections (i), (ii) or (iii), in every case addressed as follows:

If to Successor Agency:	Successor Agency to the San Francisco Redevelopment Agency One South Van Ness Avenue, Fifth Floor San Francisco, California 94103 Attention: Executive Director
With a copy to:	Office of the City Attorney City Hall, Room 234 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102 Attention: Real Estate/Finance Team Facsimile No.: (415) 554-4755
If to Lead Developer:	Transbay 8 Urban Housing, LLC c/o Related California Urban Housing, LLC 18201 Von Karman Ave, Suite 900 Irvine, CA 92612 Attention: William A. Witte, President Telephone: (949) 660-7272 Facsimile: (949) 660-7273
With a copy to:	Related California Urban Residential, LLC 44 Montgomery Street, Suite 1050 San Francisco, CA 94104 Telephone: (415) 677-9000 Attention: Greg Vilkin, President
And to:	The Related Companies, L.P. 60 Columbus Circle New York, NY 10023 Telephone: (212) 801-3478 Attention: Jennifer McCool, General Counsel
And to:	SSL Law Firm, LLP 575 Market Street, Suite 2700 San Francisco, CA 94105 Attention: Jodi B. Fedor Telephone: (415) 243-2087 Facsimile: (650) 240-1831
If to Affordable Developer:	Tenderloin Neighborhood Development Corporation 215 Taylor Street San Francisco, CA 94102

Attention: Donald S. Falk, Chief Executive Officer
Telephone: (415) 358-3923
Facsimile: (415) 264-7949

With a copy to: Farella Braun & Martel LLP
235 Montgomery Street, 17th Floor
San Francisco, CA 94104
Attention: Richard M. Shapiro
Telephone: (415) 954-4934
Facsimile: (415) 954-4480

Any such notice, demand or other communication transmitted by registered or certified United States mail, postage prepaid, shall be deemed to have been received forty-eight (48) hours after mailing (unless it is never delivered), and any notice, demand or other communication transmitted by personal delivery, facsimile transmission or nationally recognized private courier service shall be deemed to have been given when received by the recipient. Any party may change its address for notices under this Section 12.03 by written notice given to the other party in accordance with the provisions hereof.

12.04 Time of Performance

(a) All dates for performance (including cure) shall expire at 5:00 p.m. (San Francisco, California time) on the performance or cure date.

(b) A performance date which falls on a Saturday, Sunday or Agency holiday is automatically extended to the next Successor Agency working day.

(c) Unless otherwise specified, whenever an action is required in response to a submission, request or other communication, the responding party shall respond within thirty (30) days.

(d) Time is of the essence with respect to each provision of this Agreement, including each milestone set forth in this Agreement, but subject to all express extension, notice and cure rights in this Agreement.

12.05 Attachments/Recitals

All attachments and recitals to this Agreement are hereby incorporated herein and made a part hereof as if set forth in full.

12.06 Non-Merger in Deed

None of the provisions of this Agreement are intended to, or shall be, merged by reason of any deed transferring title to the Site from Successor Agency to Lead Developer or any successor in interest, and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

12.07 Headings

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

12.08 Successors and Assigns

This Agreement shall be binding upon and, subject to the provisions of Article 6, shall inure to the benefit of, the successors and assigns of Successor Agency, Lead Developer and any Mortgagee and where the term "Lead Developer", "Affordable Developer", "Successor Agency" or "Mortgagee" is used in this Agreement, it shall mean and include their respective successors and assigns, including as to any Mortgagee, any transferee of such Mortgagee or any successor or assign of such transferee, whether or not the terms "successors and assigns" are used in conjunction therewith, except where the Agreement expressly provides that successors and assigns are not so included.

12.09 Counterparts/Formal Amendment Required

(a) This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument.

(b) This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

(c) Any modifications or waiver of any provisions of this Agreement or any amendment thereto shall be in writing and signed by a person or persons having authority to do so, on behalf of both Successor Agency and Lead Developer.

12.10 Governing Law

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

12.11 Recordation

Successor Agency shall cause this Agreement to be recorded in the Official Records at the time of conveyance of the Site to the Lead Developer.

12.12 Estoppels

At the request of any party, the other Parties, within ten (10) days following such request, shall execute and deliver to the requesting Party a written statement in which such other Parties shall certify that this Agreement is in full force and effect; that this Agreement has not been modified or amended (or stating all such modifications and amendments); that no Party is in default under this Agreement (or setting forth any such defaults); that there are not then existing set-offs or defenses against the enforcement of any right or remedy of any Party, or any duty or obligation of the certifying Parties (or setting forth any such set-offs or defenses); and as to such other matters relating to this Agreement as the requesting Party shall reasonably request.

12.13 Attorneys' Fees

In the event that any Party brings a legal action to enforce rights under this Agreement against any other Party, the prevailing Party in any such proceeding will be entitled to recover its reasonable attorneys' fees and costs of the proceeding.

12.14 Further Assurances

Each party agrees to execute and deliver to the other party such additional documents and instruments as the other party reasonably may request in order to fully carry out the purposes and intent of this Agreement.

12.15 No Personal Liability

(a) No member, official or employee of Successor Agency, the City, or the TJPA shall be personally liable to Lead Developer or Affordable Developer or any successor in interest in the event of any default or breach by Agency or for any amount which may become due to Lead Developer or Affordable Developer or successor or on any obligations under the terms of this Agreement.

(b) No officer, director, member, official or employee of owner or Lead Developer or Affordable Developer shall be personally liable to Successor Agency, the City, the TJPA, or any successor in interest in the event of any default or breach by Lead Developer or Affordable Developer or for any amount which may become due to Successor Agency, the City, the TJPA, or successor or on any obligations under the terms of this Agreement.

12.16 Effective Date

Representatives of Lead Developer and Affordable Developer shall sign this Agreement before the Successor Agency staff calendars consideration of this Agreement by the Commission, but in no event later than April 21, 2015 to conform to the Schedule of Performance. The Effective Date of this Agreement and the parties' rights and obligations hereunder shall be the date on which this Agreement is approved by the Commission (the "**Effective Date**"). The Successor Agency shall insert such date into the appropriate locations in this Agreement, but the failure to do so shall not in any way affect the enforceability of this Agreement.

12.17 Confidential Information

Development Team may consider certain documents it provides to Successor Agency pursuant to Section 2.08(b)(i) to contain sensitive financial, commercial, or other proprietary business information ("**Confidential Information**"). Such Confidential Information shall exclude information that: (i) was already known to or in the possession of the Successor Agency, TJPA, or their Representatives prior to its disclosure by Development Team hereunder from a source not known by Successor Agency, TJPA, or their Representatives or Associates to be prohibited from disclosing the information by a contractual, legal, or fiduciary obligation to Development Team; (ii) is obtained by Successor Agency, TJPA, or their Representatives or Associates from a third party who is not known by Successor Agency, TJPA, or such Representatives or Associates to be prohibited from disclosing the information by a contractual, legal, or fiduciary obligation to Development Team; (iii) is or becomes publicly available (other than as a result of disclosure by Successor Agency, TJPA, or their Representatives or Associates in violation of this Section); and (iv) is independently developed, discovered, or arrived at by Successor Agency, TJPA, or their Representatives or Associates without the aid, application, or use of the Confidential Information. Successor Agency's and TJPA's "Representatives" and "Associates" includes employees, officers, directors, agents, consultants, and contractors, and cooperating public agencies.

Successor Agency and TJPA will not disclose Confidential Information, except to their Representatives and Associates, unless the TJPA is otherwise required to disclose such Confidential Information by law. If Successor Agency or TJPA receive a request to disclose Confidential Information pursuant to law, and if Successor Agency and/or TJPA intends to disclose the same under a presumed legal

obligation to do so, Successor Agency or TJPA (as appropriate based on which entity received the request), will give notice thereof to Development Team. If Development Team desires that such Confidential Information not be disclosed, Development Team may, at its own expense, take appropriate legal action to seek to prevent such disclosure. Successor Agency and TJPA shall not be deemed in breach of this Section as a result of disclosure of Confidential Information pursuant to a good faith presumption of legal obligation.

ARTICLE 13 - REFERENCES AND DEFINITIONS

Terms are defined in this Article 13 or have the meanings given them when first defined.

- 80/20 Entity is defined in Section 1.03.
- 80/20 Project is defined in Recital Q.
- AB 26 is defined in Recital H.
- AB-812 is defined in Recital E.
- AB 1484 is defined in Recital H.
- Acceptable Grocery Tenant is defined in Section 9.07.
- Affordable Air Rights Parcel is defined in Recital T.
- Affordable Developer or TNDC means Tenderloin Neighborhood Development Corporation, as further defined in Section 1.03.
- Affordable Housing Program is defined in Recital E.
- Affordable Project is defined in Recital Q.
- Agency Conditions is defined in Section 2.07(b).
- Agreement or DDA means this Disposition and Development Agreement.
- Agreement Termination is defined in Section 4.13(a).
- Air Rights Lease is defined in Recital U and the form is attached at Attachment 16.
- ALTA Survey is attached as Attachment 19-A.
- "amount that otherwise would have been due" is defined in Section 9.02(b)(iii).
- Appraisal Process is defined in Section 8.03(b)(i).
- Approved Extensions is defined in Section 4.08.
- Approved Title Conditions is defined in Section 2.03(a).
- Assessor Recorder is defined in Section 4.11.
- Associated Documents is defined in Section 8.04.
- Block 8 is defined in Recital M.
- BMR Units is defined in Section 9.03(b).
- Board of Supervisors is defined in Recital B.
- Buy-Back Price is defined in Section 8.03(b)(i).
- Caltrans is defined in Recital F.
- Caltrans Deed is defined in Section 2.07(a)(iii), and the form is attached as Attachment 11-B.
- Caltrans Letter Agreement is defined in Recital M, and attached as Attachment 11-D.
- Caltrans Relinquishment is defined in Section 2.07(a)(iii), and the form is attached as Attachment 11-C.
- CBD is defined in Section 9.02(a)(i).

- CDLAC is defined in Section 9.03(d).
- Central Permit Bureau is defined in Section 4.10(b).
- CFD is defined in Section 9.02(b)(i).
- Change in the Improvements is defined in Section 5.07.
- City is defined in Recital D.
- CityBuild is defined in Section 10(c).
- Close of Escrow is defined in Section 2.02(a).
- Closing Date is defined in Section 2.02(b).
- Commencement Date is defined in Section 4.08.
- Commercially Reasonable Terms are defined in Section 8.09(a)(ii).
- Commission is defined in Recital P.
- Completion Date is defined in Section 4.08.
- Completion of Construction of the Improvements is defined in Section 4.13(a).
- Confidential Information is defined in Section 12.17.
- Construction Loan is defined in Section 2.03(e).
- Conveyance Notice is defined in Section 2.03(d).
- Cooperative Agreement is defined in Recital F.
- Core Benefits is defined in Section 10(a)(i).
- CTCAC is defined in Section 9.03(b).
- Current Site Configuration is attached as Attachment 3-A.
- DBI is defined in Section 4.13.
- Declaration of Affordability Restrictions is in the form attached as Attachment 21.
- Declaration of Site Restrictions is in the form attached as Attachment 14.
- Deed Restriction re Taxes is defined in Section 2.05(b), and the form is attached as Attachment 20.
- Delay of Construction Tax Increment Fee is defined in Section 4.11.
- Delayed Party is defined in Section 8.09(a)(i).
- Developer means each of Related and TNDC.
- Developer Affiliates are defined in Section 6.02(a).
- Developer Conditions is defined in Section 2.07(a).
- Developer Manager is defined in Section 6.02(a).
- Developer Transaction Costs are defined in Section 1.05.
- Developers means both Related and TNDC.
- Development Controls is defined in Recital Q.
- Development Program is attached as Attachment 2.
- Development Team means both Related and TNDC.
- Development Team's Contractors is defined in Section 4.19(k).
- DOF is defined in Recital J.
- DRDAP means the Design Review and Document Approval Procedures, as shown in Attachment 7.
- DTX is defined in Section 9.02(b)(i).

- Effective Date is defined in Section 12.16.
- EIS/EIR is defined in Section 9.01.
- ENA is defined in Recital P.
- Encroachment Permit is defined in Recital V.
- Environmental Law is defined in Section 3.02(c).
- Equal Opportunity Program is defined in Article 10.
- Escrow is defined in Section 2.02(a).
- Escrow Agent is defined in Section 2.02(a).
- Event of Default is defined in Section 8.01.
- Exclusive Right of Repurchase is defined in Section 8.03(b)(i), and the form of which is attached as Attachment 12.
- Final Notice of Termination is defined in Section 4.13(a) and the form is attached as Attachment 13-B.
- FMV is defined in Section 8.03(b)(i).
- Force Majeure is defined in Section 8.09(a)(i) and 8.09(a)(iii).
- Former Agency is defined in Recital A.
- Garage is defined in Section 9.06.
- Good Faith Deposit is defined in Section 1.06.
- Grant Deed is defined in Section 2.03(d), the form of which is shown in Attachment 11-A.
- Grocery Space is defined in Section 9.07.
- Hazardous Substance is defined in Section 3.02(b).
- HCAP is defined in Section 10(b).
- Implementation Agreement is defined in Recital F.
- Improvements is defined in Recital P and further in the Scope of Development, Attachment 6.
- Inclusionary Housing Requirement is defined in Section 9.03(a).
- Indemnified Parties is defined in Section 3.02(a).
- Indemnified Party is defined in Section 3.02(a).
- Indemnitee Parties is defined in Section 12.01.
- Indemnity Exclusions is defined in Section 12.01.
- Issuance Resolution is defined in Section 9.03(d).
- Lead Developer or Related means Transbay 8 Urban Housing LLC, as further defined in Section 1.02.
- LIHTC Limited Partnership is defined in Section 1.03.
- LMIHF is defined in Recital E.
- Market-Rate Condo Project is defined in Recital Q.
- McEnerney Act is defined in Section 2.03(b).
- MCP is defined in Section 10(b).
- Memorandum of Understanding is defined in Section 4.02(a).
- Minimum Bid is defined in Section 8.03(b)(i).
- Mitigation Measures are attached as Attachment 9.
- MOHCD is defined in Recital I.

- MOHCD Underwriting Guidelines are attached as Attachment 22.
- MOHCD Developer Fee Policy-Tax Credit Projects are attached as Attachment 23.
- Mortgage is defined in Section 7.01.
- Mortgagee is defined in Section 7.01.
- Net Tax Increment is defined in Recital G.
- Neutral Broker is defined in Section 8.03(b)(i).
- New Developer is defined in Section 8.03(b)(i).
- Notice of Exclusive Right of Repurchase is in the form attached as Attachment 12.
- Official Records is defined in Recital B.
- Off-Ramp Work is defined in Recital U.
- Option Agreement is defined in Recital F.
- Outside Closing Date is defined in Section 2.02(b).
- Ownership Parcel(s) is defined in Section 2.03(g).
- Parcel C'' is defined in Recital M.
- Parcel Map is defined in Recital S.
- Parcelization 1 of the Site is defined in Recital S and further defined in Section 1.04.
- Parcelization 2 of the Site is defined in Recital T and further defined in Section 1.04.
- Partial Notice of Termination is defined in Section 4.13 and the form is attached as Attachment 13-A.
- Parties means the Successor Agency or OCII, the Lead Developer or Related and the Affordable Developer or TNDC.
- Party Brokers are defined in Section 8.03(b)(i).
- PCBs is defined in Section 3.02(b).
- Permit to Enter is defined in Section 2.06 and attached as Attachment 8.
- Permitted Transferee is defined in Section 6.02(c).
- Phase is defined in Section 4.08.
- Phased Construction is defined in Section 4.08.
- Pledge Agreement is defined in Recital D.
- Policies is defined in Section 10(b).
- Portion is defined in Section 5.03.
- Preliminary Title Report is attached as Attachment 19-B.
- Project is defined in Recital Q, and further in the Scope of Development, Attachment 6.
- Project Approval Documents is defined in the Design Review and Document Approval Procedures, Attachment 7.
- Project Area is defined in Recital A, and further defined in the Scope of Development, Attachment 6.
- Project Area Declaration of Restrictions is defined in Recital C and Section 1.08.
- Purchase Price is defined in Section 1.05.
- Reciprocal Easement Agreement or REA is defined in Section 2.03(f).
- Redevelopment Dissolution Law is defined in Recital H.
- Redevelopment Plan is defined in Recital B and further defined in Section 1.08.
- Redevelopment Requirements is defined in Section 4.04.

- Related Affiliate is defined in Section 6.02(a).
- Release is defined in Section 3.02(d).
- Remainder Parcel is defined in Recital T.
- Repurchase Payment is defined in Section 8.03(b)(i).
- RFP is defined in Recital N.
- RFP Process is defined in Section 8.03(b)(i).
- RMA is defined in Section 9.02(b)(i) and attached as Attachment 17.
- Schedule of Performance is attached as Attachment 5.
- Scope of Development is attached as Attachment 6.
- SFCTA is defined in Recital V.
- Site is defined in Recital M and Section 1.04.
- Site Legal Description is attached as Attachment 4.
- Site Plan is attached as Attachment 3-B.
- State is defined in Recital D.
- Streetscape Plan is defined in Recital Q.
- Successor Agency or OCII means Successor Agency to the Redevelopment Agency of the City and County of San Francisco.
- Successor Agency Approval is defined in Section 6.02.
- Successor Agency Equal Opportunity Program is attached as Attachment 10.
- Successor Agency Loans is defined in Section 9.03(c).
- Surviving Provisions is defined in Section 5.08.
- Target Closing Date is defined in Section 2.02(b).
- Temporary C of O is defined in Section 4.13(a).
- Term is defined in Section 1.09.
- TIFIA Loan is defined in Recital G.
- Title Company is defined in Section 2.02(a).
- Title Policy is defined in Section 2.03(a).
- TJPA is defined in Recital D.
- TNDC is defined in Section 1.03.
- Transbay Final and Conclusive Determination is attached as Attachment 1.
- Transfer is defined in Section 6.02.
- Trust Account is defined in Section 1.05.
- USDOT is defined in Recital G

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

Authorized by Successor Agency Resolution No. 23-2015, adopted April 21, 2015.

AGENCY:

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, organized and existing under the laws of the State of California

By: _____
Tiffany J. Bohee
Executive Director

APPROVED AS TO FORM:

By: _____
James Morales
General Counsel

APPROVED AS TO FORM:
DENNIS J. HERRERA, CITY ATTORNEY:

By: _____
Heidi J. Gewertz
Deputy City Attorney

MOHCD ACKNOWLEDGEMENT:

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

By: _____
Olson M. Lee
Director

LEAD DEVELOPER:

TRANSBAY 8 URBAN HOUSING, LLC,
a Delaware limited liability company

By: _____
William Witte
President

AFFORDABLE DEVELOPER:

Tenderloin Neighborhood Development Corporation, a California non-profit public benefit corporation

By: _____
Name: Donald S. Falk
Its: Chief Executive Officer

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT **CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)

On May 18, 2015 before me, Gail P. Fee, Notary Public,
Date *Here Insert Name and Title of the Officer*

personally appeared William A. Witte
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/~~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.

GAIL P. FEE
Commission # 2093501
Notary Public - California
Orange County
My Comm. Expires Jan 10, 2019

Signature _____
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended 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: _____	Signer's Name: _____
☐ Corporate Officer — Title(s): _____	☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General	☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact	☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator	☐ Trustee ☐ Guardian or Conservator
☐ Other: _____	☐ Other: _____
Signer Is Representing: _____	Signer Is Representing: _____

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ATTACHMENT 1

Transbay Final and Conclusive Determination

DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

April 15, 2012

Ms. Tiffany Bohee, Executive Director
City and County of San Francisco Successor Agency
One South Van Ness Avenue, Fifth Floor
San Francisco, CA 94103

Dear Ms. Bohee:

Subject: Request for Final and Conclusive Determination

On November 7, 2012, the City and County of San Francisco Successor Agency (Agency) submitted a petition to the Department of Finance (Finance) requesting written confirmation that its determination of three enforceable obligations as approved in a Recognized Obligation Payment Schedule (ROPS) is final and conclusive. The three obligations subject of the request are all connected to the Transbay Transit Center Redevelopment Project and are specifically listed on the ROPS III (July 1, 2012 through December 31, 2012) and ROPS 13-14A (January 1, 2013 through June 30, 2013) as the following:

ROPS III Item No.	ROPS 13-14A Item No.	Project Name / Debt Obligation	Contract Execution Date
85	102	Tax Increment Sales Proceeds Pledge Agreement (Tax Increment)	1/31/2008
86	105	Implementation Agreement	1/2/2005
192	237	Affordable Housing Program funded by LMIHF for Transbay	1/20/2005

Finance has completed its review of the Agency's petition, which included obtaining clarification on items provided and additional supporting documentation. Pursuant to Health and Safety Code section 34177.5 (i), we are pleased to inform you that the approval of 102, 105, and 237 as listed on the approved ROPS 13-14A is final and conclusive. Finance's review of these obligations in a future ROPS shall be limited to confirming that the requested payments are required by the prior enforceable obligation. This final and conclusive determination is only valid for the three items listed above.

Please be advised that there may be activities included in the enforceable obligations described in this letter that are permissive that the Agency may no longer have the statutory authority to carry out. This final and conclusive determination neither grants additional authority to the Agency nor does it authorize acts contrary to law. Additionally, any amendments to the above items are not subject to this final and conclusive determination.

Please direct inquiries to Justyn Howard, Assistant Program Budget Manager at (916) 445-1546.

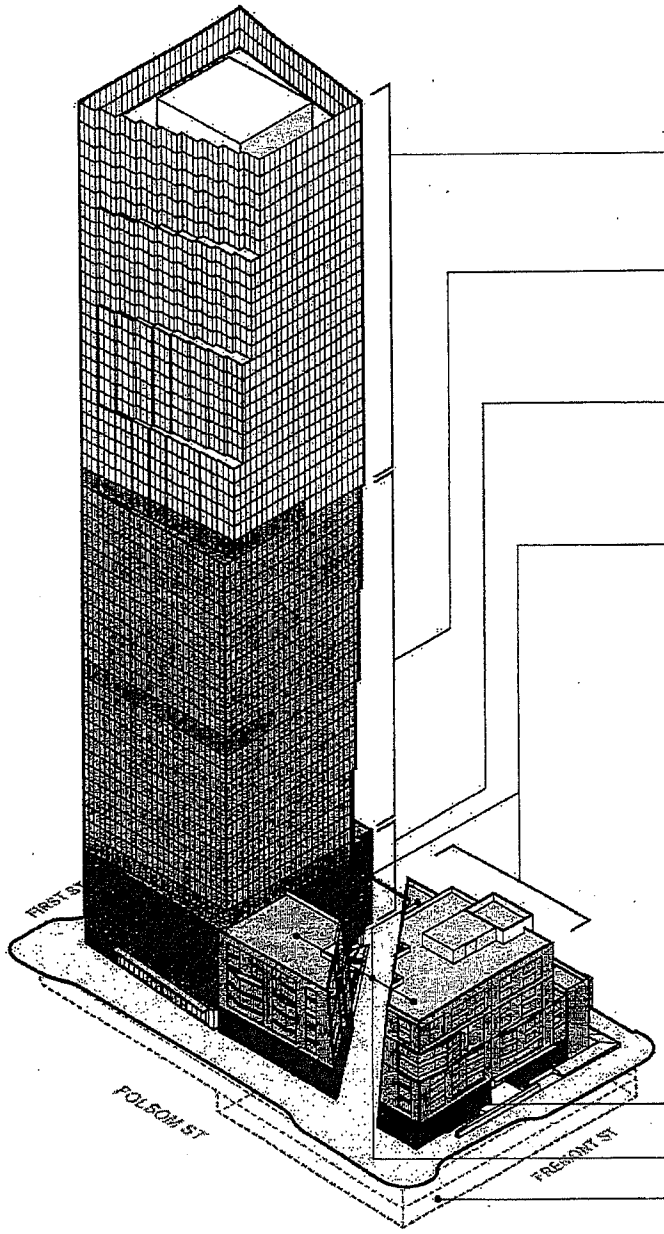
Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Ms. Sally Oerth, Deputy Director, City and County of San Francisco
Mr. James Whitaker, Property Manager, City and County of San Francisco
California State Controller's Office

ATTACHMENT 2

Development Program



RESIDENTIAL

554 TOTAL UNITS
732,500 GSF / 539,365 NSF

MARKET RATE CONDOS
124 UNITS
280,000 GSF / 210,000 NSF
TOWER FLOORS L32-L55

MARKET RATE RENTALS
280 UNITS
301,500 GSF / 217,000 NSF
TOWER FLOORS L8-L31

80/20 BMR RENTALS
70 UNITS (INCLUDING 2 TOWNHOUSES)
69,000 GSF / 49,000 NSF
TOWER FLOORS L1-L8

100% OCII BMR RENTALS
80 UNITS (INCLUDING 5 TOWNHOUSES)
82,000 GSF / 63,365 NSF
65' & 85' BUILDING FLOORS L1-L8

RETAIL

8,345 SF GROUND FLOOR
9,675 SF BELOW GRADE

OPEN SPACE

6,500 SF GROUND FLOOR
11,800 SF ROOF TERRACES

BELOW GRADE

161 BICYCLE PARKING SPACES
204 VEHICULAR SPACES
119,600 SF

ATTACHMENT 3-A

Current Site Configuration

© COPYRIGHT SAN FRANCISCO
CITY & COUNTY ASSESSOR 1995

3737

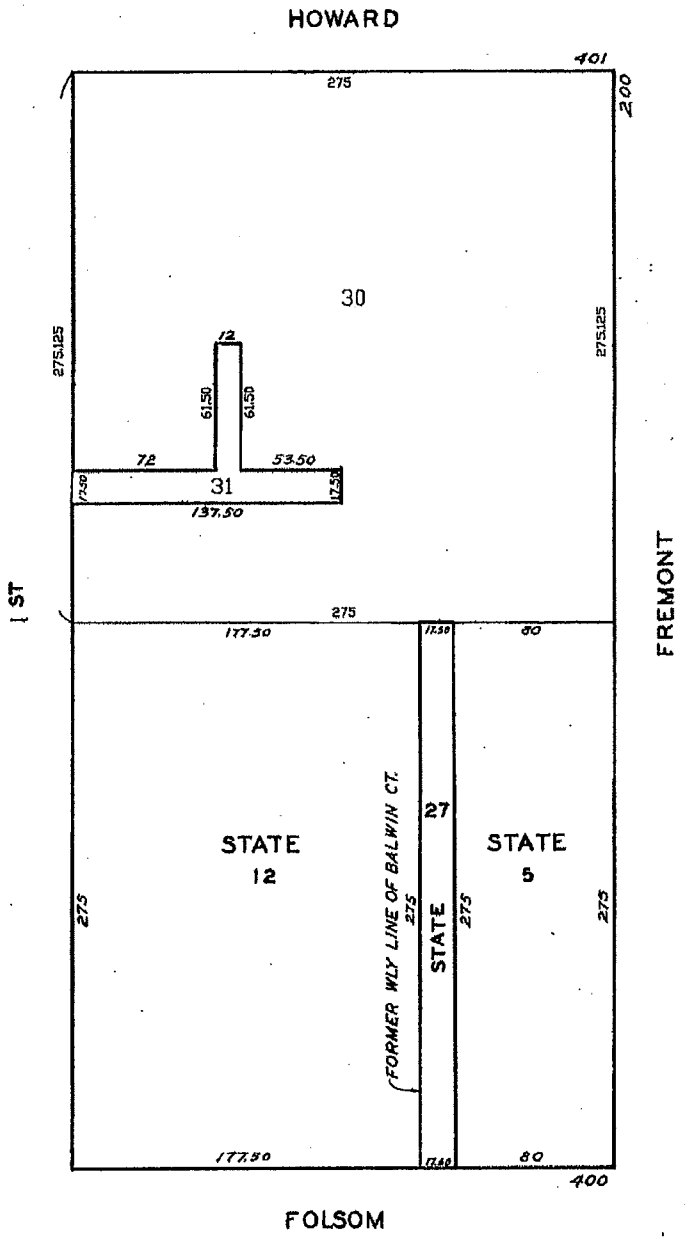
100 VARA BLK. 342

REVISED 1970

Revised '99
Revised 2001
Revised 2002

LOTS MERGED
LOT 11 INTO LOT 10 - 1945
LOTS 13-17, 19-20 INTO LOT 12 - 1945
LOTS 6-10 " " 5 - 1956
LOTS 18, 21/21^A " " 12 - 1956

lot 3 into lots 28/29 for 1999 roll
lot31 created from street vacation
lots1,1A,1B,2,4,22to26,28&29 into lot30 for 2002 roll



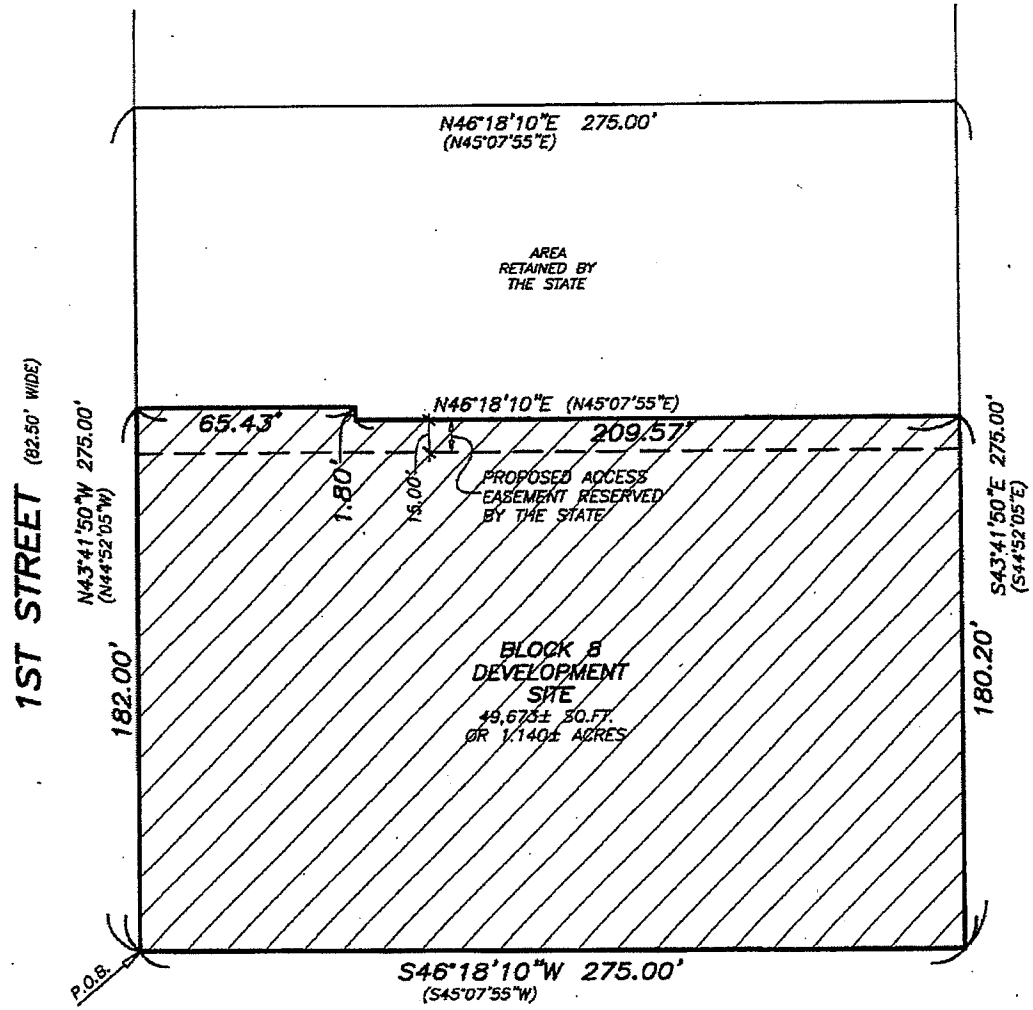
~~224-236 FREMONT ST.~~
~~A CONDOMINIUM~~

~~LOT~~	~~UNIT~~	~~% COMM. AREA~~
~~28~~	~~1~~	~~47.29~~
~~29~~	~~2~~	~~52.71~~

This map was created for tax purposes only. The assessor makes no guarantee as to its accuracy nor assumes any liability for other uses. Not to be reproduced. All rights reserved.

ATTACHMENT 3-B

Proposed Site Plan



NORTH

LEGEND

P.O.B.	POINT OF BEGINNING
N46°18'10"E	BEARING PER TJPA BEARING SYSTEM
(N45°07'55"E)	BEARING PER STATE DIRECTOR'S DEED

GENERAL NOTES

1. ALL PROPERTY LINE ANGLES ARE 90 DEGREES UNLESS NOTED OTHERWISE.
2. DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.

ASSESSOR'S BLOCK 3737

SURV.: RF
DRW.: JP
CHK.: BR

TRANSBAY BLOCK 8
DEVELOPMENT SITE
SAN FRANCISCO CALIFORNIA

MARTIN M. RON ASSOCIATES
LAND SURVEYORS
859 HARRISON STREET, SUITE 200
SAN FRANCISCO, CA 94107
TEL (415) 543-4500 FAX (415)543-6255

SCALE: NONE
DATE: 4-15-15
SHEET 1
OF 1
JOB NO.
S-8820

ATTACHMENT 3-C

Intentionally Omitted

ATTACHMENT 4

Site Legal Description

NOTE: Legal Description under final review. Final/detailed legal description with various reserved rights to be finalized prior to Close of Escrow.

Attachment 4 – Site Legal Description

LEGAL DESCRIPTION

All that parcel of land (State Parcel No. 12884) conveyed to the State of California by deed recorded October 11, 1954, in Volume 6465 at Page 474, and all those parcels of land described as "PARCEL ONE", "PARCEL TWO", and "PARCEL THREE" (State Parcel No. 12876) conveyed to the State of California by deed recorded February 10, 1954, in Volume 6317 at Page 202, together with a portion of that parcel of land described as "PARCEL FOUR" conveyed to the State of California by said deed (State Parcel No. 12876), and all of those parcels of land described as "PARCEL I" and "PARCEL II" (State Parcel No. 12882) conveyed to the State of California by deed recorded May 25, 1954, in Volume 6382 at Page 364, and all that parcel of land described as "Parcel II" (State Parcel No. 12879) conveyed to the State of California by deed recorded February 15, 1954, in Volume 6319 at Page 59, together with a portion of that parcel of land described as "PARCEL I" conveyed to the State of California by said deed (State Parcel No. 12879) and all that parcel of land (State Parcel No. 12881) conveyed to the State of California by deed recorded September 10, 1954, in Volume 6446 at Page 407, and a portion of that parcel of land (State Parcel No. 41794) conveyed to the State of California by deed recorded June 13, 1969, in Book B344 at Page 650, all of Official Records of the City and County of San Francisco, State of California and being described as a whole as follows:

BEGINNING at the point of intersection of the northwesterly line of Folsom Street (82.50 feet wide) with the northeasterly line of First Street (82.50 feet wide); thence along said line of First Street North 44°52'05" West 182.00 feet; thence North 45°07'55" East 65.43 feet; thence South 44°52'05" East 1.80 feet; thence North 45°07'55" East 209.57 feet to the southwesterly line of Fremont Street (82.50 feet wide); thence along said line of Fremont Street South 44°52'05" East 180.20 feet to said northwesterly line of Folsom Street; thence along said line of Folsom Street South 45°07'55" West 275.00 feet to the point of beginning.

CONTAINING 1.140 acres, more or less.

There shall be no abutter's rights of access appurtenant to the above-described real property in and to the adjacent State freeway.

There shall be no abutter's rights of access for motor vehicles measured from the curb return of the off-ramp in the northeast corner of Block 8 south for 100 feet along the eastern property line of Block 8.

NOTE: Legal Description under final review. Final/detailed legal description with various reserved rights to be finalized prior to Close of Escrow.

Reserving therefrom a permanent, non-exclusive easement for access, maintenance, repair, construction, reconstruction and replacement of the State freeway in the area described as...

Reserving therefrom a permanent and exclusive easement for access, maintenance, repair, construction, reconstruction, replacement and occupancy of highway signage associated with the State freeway in the area described as...

Reserving therefrom a permanent and exclusive easement for access, maintenance, repair, construction, reconstruction, replacement and occupancy of drain pipe associated with the State freeway in the area described as...

This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

ATTACHMENT 5

Schedule of Performance

Task	Performance Date	Outside Date for Performance (must occur no later than date specified)
Schematic Design -- Submission to Successor Agency		---
DDA -- Approval by Commission	Date Commission approves the DDA	April 21, 2015
Schematic Design -- Approval by Commission	Approved concurrently with Commission approval of the DDA	April 21, 2015
Lead Developer and Successor Agency Open Escrow and Successor Agency causes Caltrans Deed to be Submitted	Within 5 business days after the Effective Date	April 28, 2015
Lead Developer Pays Good Faith Deposit and submits escrow instructions governing same	Within 30 days after the Effective Date	May 21, 2015
Affordable Project Predevelopment and Proposed Permanent Budget – Submission to Successor Agency	Within 14 days of Commission approval of DDA	June 5, 2015
Design Development Documents -- Submission to Successor Agency	Within 4 months after Effective Date	August 21, 2015
Design Development Documents – Completeness Check by Successor Agency	Within 7 working days after submittal	September 1, 2015
H&S Code Section 33433 Approval By Board of Supervisors	At least 30 days prior to Close of Escrow	September 1, 2015
Lead Developer Evidence of Acquisition Financing per Section 2.08(a)	At least 30 days prior to Close of Escrow	September 1, 2015
Successor Agency Delivers Conveyance Notice	At least 30 days prior to Closing Date	September 1, 2015
Parties Submit Escrow Instructions Governing Close of Escrow	At least 5 business days prior to Close of Escrow	September 24, 2015
Parties Submit Closing Documents to Escrow	No later than 24 hours prior to Close of Escrow	September 29, 2015
Successor Agency Deposits Grant Deed into Escrow	No later than 24 hours prior to Close of Escrow	September 30, 2015
Lead Developer Deposits Purchase Price into Escrow	Prior to Close of Escrow	October 1, 2015
Payment of Purchase Price and Close of Escrow	October 1, 2015, or later date on which closing conditions satisfied	October 1, 2015
Design Development Documents -- Approval by Successor Agency	Within 45 days after the date Design Development Documents are determined to be complete	October 16, 2015

Evidence of Construction Financing and Project Commitments per Section 2.08(b)		December 1, 2015
Completion of Parcelization 2 of Site/Transfer of Affordable Air Rights Parcel from Lead Developer to Successor Agency/Execution of Air Rights Lease/Execution and recordation of REA	No later than the closing of the Construction Loan	September 30, 2016
Final Construction Documents – Submission to Successor Agency	Simultaneously with submission to DBI	
Final Construction Documents -- Approval by Successor Agency	Within 30 days after receipt of the Final Construction Documents	
Commencement of Construction	Within 12 months of Close of Escrow, subject to cure right extension pursuant to Section 8.01(c)	September 30, 2016
Completion of Construction	Within 42 months of Commencement of Construction.	March 31, 2020

623633.32

ATTACHMENT 6

Scope of Development

ATTACHMENT 6

Scope of Development

I. Description of Improvements

The Site on which the Project will be built consists of Block 8 in the Transbay Redevelopment Project Area, which is an about 49,673-square-foot parcel on Folsom Street between First and Essex Streets, two blocks south of the future Transbay Transit Center. Lot 005, 012, 027 of Assessor's Block 3737 will be transferred from the State to the Successor Agency, through the City, pursuant to the Cooperative Agreement, the Implementation Agreement, and the Option Agreement.

The Improvements are defined as follows:

A. Market-Rate Project. The Lead Developer shall construct, or cause to be constructed, a 550-foot residential tower on the Tower Parcel with the following residential components:

1. Market-Rate Condo Project: 124 for-sale residential units on floors 32 through 55. The average size of the residential units in the Market-Rate Condo Project will be approximately 1,694 square feet. Twenty-eight (28) units, approximately 23% of the units, will be one-bedroom units; eighty-three (83) units, approximately 67% of the units, will be two-bedroom units; the balance of the units will include thirteen (13) three bedroom and penthouse units, approximately .

2. 80-20 Project: 350 mixed-income rental units on floors 1 through 31 comprised of 280 market-rate rental units on floors 8 through 31 and 70 affordable rental units on floors 1 through 7. The average size of the residential units in the 80/20 Project will be approximately 760 square feet. Seventy-two (72) units, approximately 21% of the units, will be two bedroom units; the balance of the units will include ninety-eight (98) studio units, and one hundred eight (180) one-bedroom units.

The gross building area devoted to market-rate residential uses (excluding the parking level and retail uses) will be approximately 650,500 square feet.

B. Affordable Project. The Lead Developer, in partnership with the Affordable Developer, shall construct, or cause to be constructed, 80 rental residential units in the Affordable Air Rights Parcel, which is comprised of Podium 1 and Podium 2 located on Folsom and Fremont Streets, and the Townhouses along Clementina Street (as shown on the Development Program). The average size of the residential units in the Affordable Project will be approximately 792 square feet. Forty (40) units (50% of the total) shall be one bedroom units, sixteen (16) units (20% of the total) shall be two bedroom units, and twenty-four (24) units (30% of the total) shall be three-bedroom units. In no event shall the Affordable Project be comprised of less than 30% three bedroom-units. The gross building area devoted to residential uses (excluding the parking level) will be approximately 82,000 square feet;

C. Ground Floor Retail. The Lead Developer shall construct, or cause to be constructed, approximately 8,345 square feet of ground level retail on Folsom Street. The Lead Developer shall also construct a 9,675 square feet of the basement level retail that will be dedicated as the below grade portion of a potential 12,500 square foot two-story grocer.

D. Shared Underground Parking Garage. The Lead Developer shall construct, or cause to be

constructed, an underground parking garage to be shared by the Market-Rate Condo Project, the 80/20 Project, and the Affordable Project (the "Garage"). The Garage shall include a) approximately 204 vehicular spaces inclusive of a minimum of two publically accessible car share spaces and b) parking for approximately 161 bicycles. The Garage will be accessible to vehicles by way of a single ramp located off of Clementina Street.

E. Shared Open Space. The Lead Developer, in collaboration with the Affordable Developer, shall construct, or cause to be constructed, 6,500 square feet of shared open space as depicted in the Development Program.

F. Streetscape Improvements. The Lead Developer shall construct, or cause to be constructed, the streetscape improvements for Block 8 as documented in the Streetscape Plan, as amended by the Folsom Street Schematic Design documents dated January 7, 2012, which includes the extension of Clementina Street (the "Streetscape Improvements").

II. Planning Goals and Objectives

The following goals from Section 2.2 of the Redevelopment Plan apply to the Project. The Redevelopment Plan goals were established in conjunction with the Transbay Citizens Advisory Committee and members of the public at large. The goals set forth objectives that will direct the revitalization of the community. Together with the Development Controls and Design Guidelines and the Streetscape and Open Space Plan, these goals will guide the direction of all future development within the Project Area.

A1. Construct wider sidewalks throughout the Project Area as needed to facilitate easy pedestrian travel.
A2. Beautify streetscapes in accordance with the Development Controls and Design Guidelines.
A3. Improve street and sidewalk lighting along all streets and encourage private property owners to provide additional lighting elements to the streetscape.
A5. Increase the amount of street-level amenities such as street furniture, street trees, and public artwork to create a pleasant pedestrian experience.
A6. Ensure that new buildings have multiple residential entrances and/or retail at the street level to contribute to sidewalk activity, according to the Development Controls and Design Guidelines.
A7. Maintain existing alleys and walkways and create new pedestrian alleys and walkways to create a continuous network to connect streets, open spaces, and other activity centers.
B3. Facilitate pedestrian and vehicular access into and through large blocks and extend the pattern of small, mid-block streets that exists in the area.
B4. Discourage unnecessary private automobile use by encouraging developments that promote car sharing, shuttles, carpooling, public transit, car rental services, taxi service and other alternatives to the privately-owned automobile.
B6. Encourage unbundling of parking from commercial and residential units, and encourage lower parking requirements.
B7. Minimize the number of curb cuts in new developments and encourage common vehicular access for adjacent sites, where feasible.
B8. Minimize interference to transit from vehicular access to buildings and truck loading zones.
C1. Create an open space network to serve the diverse needs of a mixed-use community including features such as plazas, playgrounds, recreation spaces, and softscaped areas.
C3. Fulfill the vision of the Downtown Area Plan of the San Francisco General Plan that almost everyone within the Project Area will be within 900 feet of a publicly accessible space, including small and privately owned spaces.
C5. Promote neighborhood serving retail establishments to provide residents and workers with

immediate walking access to daily shopping needs.

C7. Encourage adequate public community services such as childcare, schools, and libraries.

C8. Promote the creation of a community facilities district to assist in funding streetscape and open space improvements and maintenance.

D1. Create a boulevard on Folsom Street from Second Street to the Embarcadero to serve as a pedestrian promenade while maintaining it as a vehicular route.

D2. Develop signage to identify the area as the gateway to the city from the new Transbay Terminal and the Bay Bridge.

D3. Encourage the installation of public art in streetscapes, open space, and commercial developments.

D4. Ensure proper tower spacing and height and bulk controls for large-scale development, according to the Development Controls and Design Guidelines.

D5. Ensure that high-rise buildings reflect high quality architectural and urban design standards.

E1. Create a mixture of housing types and sizes to attract a diverse residential population, including families and people of all income levels.

E2. Develop high-density housing to capitalize on the transit-oriented opportunities within the Project Area and provide a large number of housing units close to downtown San Francisco.

E3. Focus residential development along Folsom, Beale and Main Streets and design these streets as mixed-use residential corridors.

E4. Maximize housing development on the former Caltrans-owned properties according to the Development Controls and Design Guidelines in order to provide financial support to the new Transbay Terminal and Caltrain Downtown Extension through tax increment and land sale revenue.

III. Development Standards

All development on the Site shall comply with the Redevelopment Plan, the Development Controls and Design Guidelines, and the Streetscape and Open Space Plan (as amended by the Folsom Street Design Development Documents).

IV. Lead Developer Responsibilities

In addition to the other Lead Developer responsibilities set forth in the Agreement, the Lead Developer shall be responsible, at its sole expense, for the installation and/or coordination of all public improvements required for the development of the Site. Such public improvements, whether within the Site or in the adjacent public right-of-way include, but are not limited to, the following:

A. All site preparation activities on the Site.

All utility services and public improvements required for the Development either within the Site or the adjacent public right-of-way including, but not limited to, the following: (i) Water, (ii) Power, (iii) Sewer, (iv) Storm, (v) Natural Gas, (vi) Telephone, Cable and Internet, (vii) Sidewalks, and Sidewalk Tree Well Installation, and (viii) Street improvements. The above items shall be performed in accordance with City requirements.

ATTACHMENT 7

Design Review and Document Approval Procedures

ATTACHMENT 7

Design Review and Document Approval Procedures

INTRODUCTION

This Transbay Block 8 **Design Review and Document Approval Procedure ("DRDAP")** sets forth the procedure for design submittals of the plans and specifications for the developments of Block 8 of Zone 1 of the Transbay Redevelopment Project Area ("Project Area") and their review and consideration for approval by the Office of Community Investment and Infrastructure ("OCII"), as Successor Agency to the former San Francisco Redevelopment Agency (the "Former Agency"). The development will include a mixed use residential and commercial project, new streets and streetscape designs, public and private open spaces, and other permanent structures, as well as potential interim uses. Other departments and agencies of the City and County of San Francisco ("City Agencies") will review plans and specifications for compliance with applicable City and County of San Francisco ("City") regulations.

REVIEW

Subdivision Map Review
The review and approval of Design and Construction Documents by OCII pursuant to this DRDAP are in addition to and do not waive the requirements for subdivision review and approval as specified in the Subdivision Map Act. The processing of a subdivision map may occur concurrently with or independently of a project approval.

Temporary and Interim Uses
OCII staff shall review applications for temporary and interim uses.

DOCUMENTS FOR PROJECT APPROVAL

Project Approval documents shall consist of three components or stages:

- Schematic Design Documents,
- Design Development Documents, and
- Final Construction Documents.

SCOPE OF REVIEW

OCII in consultation with the San Francisco Planning Department and the San Francisco Department of Building Inspection (DBI), and other City Agencies shall review and approve Schematic Design plans, Design Development Documents and Final Construction Documents, each as defined below, for conformity with any prior approvals, the Redevelopment Plan for the Project Area ("Redevelopment Plan") and accompanying Plan Documents, including but not limited to the Transbay Development Controls and Design Guidelines ("Development Controls") and the Transbay Redevelopment Project Area Streetscape and Open Space Concept Plan ("Streetscape Plan"). OCII's review shall include consideration of such items as the architectural design, site planning and landscape design as applicable and appropriate to each submittal. The applicant shall submit a report regarding compliance with the Mitigation Monitoring and Reporting Program previously adopted by the Former Agency pursuant to the California Environmental Quality Act (CEQA). The mitigation measures are a part of the Final Environmental Impact Statement/Environmental Impact Report for the Project Area (EIS/EIR). The mitigation measures are intended to reduce the major impacts of this development on the environment.

OCII shall review such report to ensure compliance with the CEQA and the adopted Mitigation Monitoring and Reporting Program.

OCII PROCESS

Review by OCII

The redevelopment of Zone 1 of the Project Area established by the Redevelopment Plan and the Development Controls is a priority project for the City and OCII. OCII shall review all applications for project approvals as expeditiously as possible. OCII staff shall keep the applicant informed of OCII's review and comments, as well as comments by City Agencies, other government agencies, or community organizations consulted by OCII, and shall provide applicant opportunities to meet and confer with OCII and City staff prior to the Commission on Community Investment and Infrastructure ("CCII") hearing, to review the specific application for project approval.

Pre-Submission Conference(s)

Prior to filing an application for any project approval, the applicant or applicants may submit to OCII project review staff preliminary maps, plans, design sketches and other data concerning the proposed project and request a pre-submission conference. Within fifteen (15) days after the receipt of such request and material, OCII staff shall hold a conference with the applicant to discuss the proposed application.

Cooperation by Applicant

In addition to the required information set forth in Exhibit 1 attached hereto, the applicant shall submit materials and information as OCII staff may reasonably request which are consistent with the type of documents listed in Exhibit 1 and which are required to clarify a submittal provided pursuant to this DRDAP. Additionally, the applicant shall cooperate with, and participate in, design review presentations to the CCII and to the public through the Transbay Citizens Advisory Committee ("CAC").

COMMUNITY REVIEW OF DESIGN SUBMITTALS

OCII staff will provide the CAC, its designee, or successor, with regular updates on the design review process. Once a submittal is deemed complete, OCII staff will schedule CAC meetings to allow adequate review by CAC and community members before further approvals.

Before bringing Schematic Design proposals to the CCII for consideration, the Lead Developer shall bring their design proposal before the CAC, its designee, or successor for a recommendation to the CCII. The Lead Developer shall provide the CAC with sufficient presentation materials to fully describe design submittals, using the submission materials described in Exhibit 1 and/or other presentations materials as determined by OCII staff.

REVIEW OF SCHEMATIC DESIGN

Schematic Design Documents shall be submitted to the OCII for review and consideration. Schematic Design Documents shall relate to schematic design level of detail for a specific project.

Timing of OCII's Review

OCII staff shall review the Schematic Design for completeness and advise the applicant in writing of any deficiencies within seven (7) working days following receipt of the applicant's Schematic Design submittal. In the event OCII staff does not so advise the applicant, the application for Schematic Design shall be deemed complete. The time limit for OCII staff's review shall be within forty-five (45) days from the date the Schematic Design has been determined to be complete. OCII shall take such reasonable measures necessary to comply with the time periods set forth herein.

The CCII shall review and approve, conditionally approve or disapprove the application for Schematic Design. If the CCII disapproves the Schematic Design in whole or in part, the CCII shall set forth the reasons for such disapproval in the resolution adopted by the CCII. If the CCII conditionally approves the Schematic Design, such approval shall set forth the concerns and/or conditions on which the CCCI is granting approval. If the CCII disapproves an application in part or approves the application subject to specified conditions, then, in the sole discretion of the CCII, the CCII may delegate approval of such resubmitted or corrected documents to OCII design review staff.

The applicant and OCII may agree to any extension of time necessary to allow revisions of submittals. OCII shall review all revisions as expeditiously as possible. If revisions are made within an existing review period, the revisions shall permit up to fifteen (15) days of additional review within the original timeframe of review or within a revised time frame of the extension agreed to by OCII and the applicant. If revisions made after an original design approval by the CCII, and the revisions are determined to be required to be resubmitted to the CCII, the CCII shall either approve or disapprove such resubmitted or corrected documents as soon as practicable.

Document Submittals
The applicant shall submit Schematic Design Documents, which plans shall include the documents and information listed in Exhibit 1 attached hereto. OCII staff may waive certain document submittal requirements if OCII staff determines such documents are not necessary for the specific application.

REVIEW OF DESIGN DEVELOPMENT DOCUMENTS

Design Development Documents shall be submitted for review and either approval, conditional approval, or disapproval by OCII architectural staff, following approval of the Schematic Design.

Scope of Review
OCII staff shall review the Design Development Documents for consistency with earlier approved documents, the Redevelopment Plan and other Plan Documents, including the Development Controls and the Streetscape Plan. Design Development Documents will relate to design development level of detail for a specific project. The purpose of this submittal is to expand and develop the Schematic Design incorporating changes resulting from resolution of comments and concerns during the Schematic Design phase and to prepare drawings and other documents as to architectural, structural, mechanical and electrical systems.

Timing of OCII's Review
OCII staff shall review the Design Development Documents for completeness and general consistency with the schematic design and shall advise the applicant in writing of any deficiencies within seven (7) working days after the receipt of the Design Development Documents. In the event OCII staff does not so advise the applicant, the Design Development Documents shall be deemed complete. The time limit for OCII staff's review shall be forty-five (45) days from the date the Design Development Documents were determined to be complete. OCII staff shall take such reasonable measures necessary to comply with the time periods set forth herein. If the Design Development deviates significantly from the approved schematic design, does not meet the conditions outlined in the schematic approval, or extensive revisions or clarifications to the Design Development are required, the time limit may be extended at OCII Executive Director's discretion.

The applicant and OCII staff may agree to any extension of time necessary to allow revisions of submittals prior to a decision by OCII architectural staff. OCII architectural staff shall review all such revisions as expeditiously as possible, within the time frame of the extension agreed to by OCII

architectural staff and the applicant.

Document Submittals
The applicant shall submit Design Development Documents, which submittal shall include the documents and information listed in Exhibit 1 attached hereto. OCII staff may waive certain document submittal requirements if OCII staff determines such documents are not necessary for the specific application.

REVIEW OF FINAL CONSTRUCTION DOCUMENTS

OCII Review
Final Construction Documents will relate to the construction documents' level of detail for a specific project. The purpose of this submittal is to expand and develop the Design Development Documents to their final form, prepare drawings and specifications in sufficient detail to set forth the requirements of construction of the project and to provide for permitting. Final Construction Documents may be divided and submitted in accordance with an addenda schedule for the project approved in writing in advance by the City's Department of Building Inspection and OCII architectural staff or their designee. Provided the applicant's Final Construction Documents are delivered to OCII architectural staff concurrently with submittal to the Department of Building Inspection, Final Construction Documents shall be reviewed by OCII architectural staff within thirty (30) days following OCII staff's receipt of such documents from and approved by the Department of Building Inspection and any other appropriate City Agencies with jurisdiction. In the event that the applicant's Final Construction Documents are not delivered concurrently to OCII staff, OCII staff shall review the Final Construction Documents as expeditiously as possible.

Document Submittals
Documents submitted at this stage in the design review will relate to the construction documents level of detail for a specific project. The Final Construction Documents submittal shall include the information specified for the Design Development Documents in Exhibit 1 attached hereto.

COMPLIANCE WITH OTHER LAWS

No OCII or CCII review will be made or approval given as to the compliance of the Design Development Documents or Final Construction Documents with any building codes and standards, including building engineering and structural design, or compliance with building codes or regulations, or any other applicable state or federal law or regulation relating to construction standards or requirements, including, without limitation, compliance with any local, state or federal law or regulation related to the suitability of the improvements for use by persons with physical disabilities.

OCII REVIEW OF CITY PERMITS

No demolition, new construction, tenant improvement, alteration, or signage permit shall be issued by the Department of Building Inspection unless OCII has reviewed and approved the permit application.

SITE PERMITS

The applicant may apply for a Site Permit and addenda from the Department of Building Inspection upon OCII staff's determination that the Design Development Documents are approved or conditionally approved and generally consistent with the Schematic Design Documents. The applicant however may not obtain an approved Site Permit until the Design Development documents have been approved or conditionally approved by OCII staff. The Site Permit application can be submitted before the Final Construction Documents for the project have been completed and submitted for approval to OCII architectural staff and the Department of Building Inspection. Applicant may apply for a Site Permit after

approval of the Schematic Design Documents but prior to approval of the Design Development Documents or the Final Construction Documents at its own risk.

Notwithstanding the foregoing, the applicant may also apply for City permits related to grading and excavation activities prior to OCII architectural staff's approval of the Design Development Documents, provided that OCII architectural staff approves such activities prior to issuance of any City permits. Grading and excavation are often the first two addenda to site permits.

Pursuant to such site permit process, the Final Construction Documents may be divided and submitted to the Department of Building Inspection in accordance with an addenda schedule for the project approved in writing in advance by OCII architectural staff and the Department of Building Inspection. Construction may proceed after the appropriate Site Permit addenda have been issued, including, for example, and without limitation, addenda for foundations, superstructure, and final building build-out. In no case shall construction deviate from, or exceed the scope of, the issued addenda.

MODIFICATIONS AND AMENDMENTS TO PROJECT APPROVAL

OCII staff may, by written decision, approve project applications which amend or modify the previously approved project, provided that OCII makes the following determinations:

(1) the project approval requested involves a deviation that does not constitute a material change;
(2) the requested project approval will not be detrimental to the public welfare or injurious to the property or improvements in the vicinity of the project; and
(3) the granting of the project approval will be consistent with the general purposes and intent of the Transbay Redevelopment Plan, Development Standards and Design Guidelines, and other Plan Documents and will not interfere with the TJPA's implementation of the Transbay Transit Center Project..

In the event that OCII determines that the project application deviates materially from the project already approved by OCII, OCII may require submittal of an amended project application, as appropriate, for review by the CCII and City Agencies in accordance with the provisions herein.

Major amendments and modifications will be processed in accordance with this DRDAP.

GOVERNMENT REQUIRED PROVISIONS, CHANGES

OCII and the applicant acknowledge and agree that neither one will delay or withhold its review or approval of those elements of or changes in the Schematic Design, Design Development Documents or Final Construction Documents which are required by any City agency, including the City's Department of Building Inspection, the Fire Marshall, or any other government agency having jurisdiction; provided, however, that (i) the party whose review or approval is sought shall have been afforded a reasonable opportunity to discuss such element of, or change in, documents with the governmental authority requiring such element or change and with either the applicant's or OCII's architect, as the case may be, and (ii) the applicant or OCII shall have reasonably cooperated with the other and such governmental authority in seeking such reasonable modifications of such required element or change as the other shall deem necessary or desirable.. The applicant and OCII each agrees to use its diligent, good faith efforts to obtain the other's approval of such elements or changes, and its request for reasonable modifications to such required elements or changes, as soon as reasonably possible.

EXHIBIT 1:
DOCUMENTS TO BE SUBMITTED FOR PROJECT APPROVALS

During each stage of the project design review process, OCII architectural staff and the applicant shall agree upon the scale of the drawings for project submissions. OCII staff and the applicant shall also discuss and agree upon the scope of the subsequent project submissions recognizing that each project is unique and that all documents outlined herein may not be required for each project.

Design Development Documents and other Construction Documents to be submitted shall be prepared by an architect licensed to practice in and by the State of California.

The applicant shall submit a report outlining compliance with the adopted Mitigation and Monitoring Program with each stage of design review.

SCHEMATIC DESIGN

Six (6) hard copies of the Schematic Design Documents shall be submitted to OCII, as well as one digital file (PDF). Documents submitted at this stage in the design review will relate to schematic design level of detail for a specific project. The program of uses, the height of buildings or other factors in the proposed project may trigger some variation in the submittal requirements in order to illustrate consistency with standards and guidelines in the Transbay Redevelopment Plan, Development Controls, the Streetscape Plan, the EIS/EIR or and other Plan Documents. Schematic Designs will illustrate building height, building bulk, block development, streetscape installation, public infrastructure and schematic park designs. A Schematic Design submittal will include the following documents.

Written Statement

Each submittal shall include a written statement of the design strategy and the proposed land use program; conformance with the Development Standards and Design Guidelines and sustainability measures to be implemented by the proposed development; descriptions of the structural system and principal building materials; and floor area calculations.

Data Charts

Data charts submitted should provide information for the project being proposed, including:

1) Program of uses and approximate square footage of each use

2) Approximate square footage of all proposed parcels

3) Housing unit count including affordable units

4) Number of on and off-street automobile parking, bike parking and loading spaces, including car share spaces (if any).

Schematic Design Drawings

Vicinity Plan

In addition to the site plan for the immediate area of the project under review, a diagrammatic vicinity plan should be submitted showing this project in the context of planned and existing:

1) Land uses, particularly retail facilities;

2) Vehicular, transit bicycle and pedestrian circulation; and

3) Public open space and community facilities

Infrastructure Plans

Infrastructure Plans should be submitted show this project in the context of planned and/or existing:

1) Proposed roadway and streetscape improvements (including pathways) and the dimensions thereof;

2) Off-site transportation measures required as part of the Mitigation and Monitoring program (if any); and

3) Utilities, including water, wastewater, and dry utilities.

Site Plan

The Site Plan will pertain to the total area of development and improvement included in this project which may include required streets, open space and other existing infrastructure improvements. A Site Plan or Plans as needed (at a scale of 1" = 40'-0" or another appropriate scale as agreed to by OCII staff), should indicate the location of uses; the general location, scale, relationship, and orientation of buildings; the general site circulation and relationship of ground floor uses, and:

1) Phasing (if any), proposed parcel boundaries and dimensions

2) Building footprints and proposed uses

3) Massing of future buildings including height and bulk measurements, illustrated in plans, sections and three dimensional figures

4) Planned public open space areas

5) Private open space areas

6) Setback areas

7) Diagram of proposed roads, sidewalks, and pedestrian connections

8) Parking and loading facilities (including interim facilities)

9) Circulation diagram including entry locations for pedestrians, autos, bikes, and service vehicles

Phasing Plan

Within the project, any anticipated phasing of construction or temporary improvements, including temporary or interim parking facilities, construction staging areas, and interim infrastructure, if any, shall be indicated.

Site sections showing height relationships of those areas noted above. Scale: minimum 1" = 40'-0" (or another appropriate scale as agreed to by OCII staff).

Building plans, elevations and sections sufficient to describe the development proposal, the general architectural character, and materials proposed at appropriate scale to fully explain the concept. Scale: minimum 1/16"=1 '0 (or another appropriate scale as agreed to by OCII staff)

Landscape plans and elevations sufficient to describe the development proposal, the general landscape and open space character, and materials proposed at appropriate scale to fully explain the concept. Scale: minimum 1/16"=1 '0 (or another appropriate scale as agreed to by OCII staff)

Model

A model shall be submitted to OCII which shall be prepared at an appropriate scale indicating the exterior building design including façade articulation and texture of materials.

Perspectives, Sketches and Renderings

Perspectives, sketches, and renderings, (and other appropriate illustrative materials acceptable to OCII) as necessary to indicate the architectural character of the project and its relationship to the pedestrian level shall be submitted to OCII.

Materials Board

Samples of proposed materials and exterior colors for both buildings and landscapes shall be submitted to OCII in a manner to allow reviewing staff and members of the public to understand where materials are to be used and how they relate to each other.

DESIGN DEVELOPMENT DOCUMENTS

Documents submitted at the design development stage in design review will relate to design development level of detail for a specific project. The purpose of this submittal is to expand and develop the Schematic Design incorporating changes resulting from resolution of comments and concerns during the Schematic Design phase and to prepare drawings and other documents as to architectural, structural, mechanical and electrical systems.

The Design Development Document submission for a specific project should generally be consistent with the Schematic Design approval.

Site plans showing where applicable:

- Building relationships to landscaped areas, parking facilities, loading facilities, roads, sidewalks, mid-block connections, any transit facilities, and both public and private open space areas. All land uses within the subject parcel shall be designated. Streets and points of vehicular and pedestrian access shall be shown, indicating proposed new paving, planting and lighting if applicable.
- All utilities or service facilities which are a part of or link this project to the public infrastructure shall be shown.
- Grading plans depicting proposed finish site elevations.
- Site drainage and roof drainage.
- Required connections to existing and proposed utilities.

- All existing structures adjacent the site.
- Building floor plans and elevations including structural system, at an appropriate scale (1/8" to 1' minimum, or another appropriate scale as agreed to by OCII staff).
- Building sections showing typical cross sections at an appropriate scale, and in particular indicating street walls and adjacent open spaces, relationship of ground floor uses to pedestrian outdoor areas, and including mechanical equipment.
- Landscape design plans showing details of landscape elements including walls, fences, planting, outdoor lighting, ground surface materials. Appropriate reference to improvements in the City's right of way shall be shown.
- Drawings showing structural, mechanical and electrical systems.
- Materials and colors samples as they may vary from those submitted for Schematic Design approval.
- Sign locations and design.
- Outline specifications for materials and methods of construction.
- Roof plan showing location of and screen design for all rooftop equipment; and roof drainage.
- Wall sections illustrating exterior cladding systems, store fronts, canopies, etc. at an appropriate scale (1/8" minimum).
- Design details of all primary exterior conditions sufficient to establish baseline for Final Construction Documents.

FINAL CONSTRUCTION DOCUMENTS

Documents submitted at this stage in the design review will relate to the construction documents level of detail for a specific project. The purpose of this submittal is to expand and develop the Design Development Documents, prepare drawings and specifications in sufficient detail to set forth the requirements of construction of the project and to provide for permitting.

The Final Construction Documents shall generally be consistent with the approved Design Development Documents. The Final Construction Documents shall comply with the requirements of the City's Department of Building Inspection, including Site Plans and Construction Drawings and Specifications ready for bidding. In addition, the applicant shall submit a presentation of all exterior color schedules including samples, if appropriate, and design drawings for all exterior signs and graphics prior to completed construction. OCII architectural staff and applicant shall continue to work to resolve any outstanding design issues, as necessary.

ATTACHMENT 8

Permit to Enter

CALIFORNIA STATE TRANSPORTATION AGENCY EDMUND G. BROWN JR, Governor

DEPARTMENT OF TRANSPORTATION
PO BOX 23440
OAKLAND, CA 94923-0440
(510) 286-5406
(510) 286-5482 Fax

August 1, 2014

4-SF-80
Permit # 319

Related California
18201 Von Karman Ave., Suite 900
Irvine, CA 92612

Attn: Jonathan Shum

Dear Mr. Shum,

Permission is hereby given to the PERMITEE, or their contractors, to enter onto State of California (CALTRANS) land as shown on the attached map and further identified as Transbay Block 8 (Parcel C). This permission is given subject to the following conditions:

1. Acknowledgment of Title: PERMITEE acknowledges the title of CALTRANS in and to said real property and agrees that no permanent rights are being created by virtue of this permit. PERMITEE also acknowledges that the Transbay Joint Powers Authority (TJPA) currently occupies above referenced property and all permit activities proposed must be coordinated with the TJPA prior to any entry onto said parcel. TJPA contact is Ms. Joyce Oishi and she can be reached at 415-343-2452 or at Joishi@transbaycenter.org.

2. Purpose of Permit: See attached "Scope of Services"..

3. Term of Permit: The Permit shall be valid August 11, 2014 through August 31, 2015 or upon completion of purpose described in item 2 above, whichever is earlier. All entry shall be coordinated with the TJPA. Physical work on site will be conducted August 11, 2014 through August 22, 2014 and then on a monthly basis for the next twelve (12) months to check the monitoring meters placed on the site.

4. Liability for Damages: In the exercise of this permission, PERMITEE shall have the entire responsibility for any and all injury to the public and to individuals. PERMITEE expressly agrees to indemnify, defend and hold CALTRANS, its Directors, Officers, and employees free and harmless, from and against any and all loss, liability, expense, claims, costs, suits, and damage including attorneys fees, to the extent provided by law, arising out of operation or performance under this permit.

5. Permits from other Agencies: PERMITEE shall, at its own cost and expense, secure all permits and other authorization required by law for the use of the real property as provided in this permit and agrees to conform to the provisions hereof.

6. Restoration of Premises: Upon termination of this permit, any and all material, property, or structures permitted herein belonging to the PERMITEE will be promptly removed and said real property be restored to a clean and safe condition as soon as possible.

7. Copies of any and all data and/or reports resulting from the permission herein granted shall be provided to the State upon request.

Sincerely,

ALLISON G. PAICH
District Office Chief
R/W Acquisitions & Project Management Services

PERMITEE Signature*:

Representative for Related California
JONATHAN SHUM

*By signing PERMITEE agrees to all terms and conditions set forth above.

cc: MShindler - CT
JOishi – TJPA

SCOPE OF SERVICES

The purposes of our geotechnical investigation will be to evaluate the subsurface conditions across the entire site to provide conclusions and design-level recommendations regarding the geotechnical and foundation aspects of the project. Our investigation, conclusions, and recommendations will be developed to provide the geotechnical information needed by the structural engineer for design of the building. In addition, our report will satisfy the items typically required by a Structural Design Review Team (SDRT). As part of the survey we will use the available subsurface data from investigations in the site vicinity, as well as perform a subsurface exploration program at the site. The subsurface exploration program will be conducted by the selected geotechnical engineering firm.

Subsurface Exploration Program

The field exploration program will consist of drilling a total of eight (8) borings at the site and installing piezometers to evaluate groundwater conditions at the site. Five borings will be drilled beneath the tower footprint. Two of these borings will be drilled about five feet into bedrock. The remaining three borings beneath the tower will be drilled about 30 feet into the underlying bedrock at the site. The bedrock will be drilled/cored using triple-barrel HQ rock coring equipment to evaluate the type, strength, and quality of the bedrock, as these parameters will be useful in the design of a deep foundation system (such as drilled piers), if such a system becomes necessary. Bedrock is anticipated to range from about 120 to 160 feet deep under this portion of the site.

The remaining three borings (drilled beneath the low-rise portion of the building) will be drilled to a depth of about 140 feet, unless bedrock is encountered at shallower depths. If shallower bedrock is encountered, our engineer will drill at least 5 feet into bedrock.

To evaluate the existing and long-term groundwater conditions at the site, we propose the engineer to install groundwater monitoring piezometers within two of the borings. The two piezometers will be installed at opposing sides of the proposed development at a depth of about 50 to 70 feet. One of the piezometers will consist of fully grouted-in-place vibrating wire piezometer (VWP) instrumentation, which can detect small pore water pressure differences indicative of changes in local groundwater level. The second piezometer will consist of an open stand-pipe type piezometer. Within the open stand-pipe we will install a vented VWP as well as take physical reading. Each VWP will be connected to an automated data logger that can record the groundwater pressure in the VWPs. We anticipate taking readings every two hours for a period of one year. The electronic data will be stored on the data logger and collected periodically.

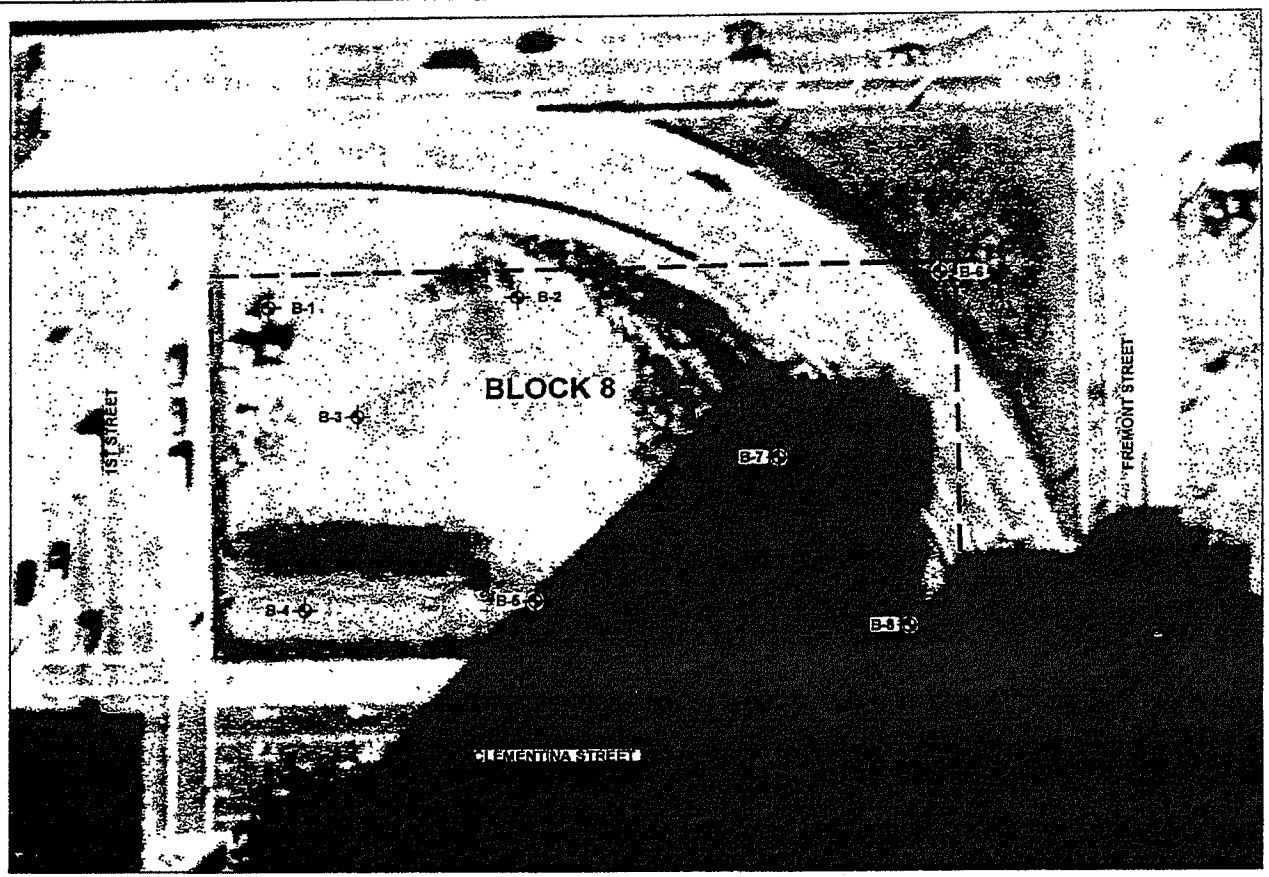
In the boring located near the center of the tower, the engineer will hire a specialty contractor to perform down-hole measurements of in-situ compression wave (P-wave) and shear wave (S-wave) velocities in one of the borings that is extended at least 30 feet into bedrock. The seismic velocity readings will be performed to a depth of about 165 feet beneath the existing ground surface. The hole will be drilled an additional 15 feet to allow room for the down-hole instrumentation. We therefore anticipate this boring will extend to a depth of about 180 feet and that rock coring will be required to reach this depth.

Prior to drilling, the engineer will obtain the necessary drilling permits from the City and County of San Francisco Department of Public Health (CCSF DPH). Also, because the boring will be drilled on private property, the engineer will retain a private utility clearance subcontractor to check for underground utilities in the vicinity of

the boring location. As required by law, the engineer will also notify Underground Service Alert (USA) at least 48 hours prior to drilling. Therefore, the engineer will require access to the site approximately three to four working days prior to the start of drilling.

The borings will be advanced using a truck-mounted drill rig equipped with rotary wash drilling equipment in accordance with SP 117A. The borings will be drilled under the direction of the selected engineer, who will log the soil and bedrock encountered during drilling and obtain soil/bedrock samples. Upon completion of drilling and the seismic survey, the borings will be backfilled with either piezometers or with cement grout in accordance with the requirements of the SFDPH.

Drilling of the borings will generate soil cuttings. Unless the engineer is authorized to spread the soil cuttings on the ground, the soil cuttings will be placed in bins which will be temporarily stored on site at a location designated by you for a period of approximately five to six weeks. For disposal of the binned cuttings at a landfill, the cuttings will be tested for the presence of hazardous substances. The chemical analysis and disposal of the drilling cuttings is included in our fee estimate, provided the bin contents are classified as non-hazardous. If the analytical tests indicate the cuttings are hazardous, the engineer will contact Related to discuss disposal options and provide Related with a list of companies that can assist you with disposal. The engineer will not dispose of hazardous material.



EXPLANATION

B-1 Approximate location of proposed boring by Langan Treadwell Rollo

Approximate building footprint

0 40 Feet

Approximate scale

TRANSBAY BLOCK 8
San Francisco, California

SITE PLAN

Date 07/25/14 | Project No. 750620201 | Figure 2

LANGAN TREADWELL ROLLO

Reference: World Aerial imagery basemap is provided through Langan's Esri ArcGIS software licensing and GeoEye, i-cubed, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, and the GIS User Community

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ATTACHMENT 9

Mitigation Measures

TRANSBAY TERMINAL/CALTRAIN DOWNTOWN EXTENSION/ REDEVELOPMENT PROJECT MITIGATION MONITORING AND REPORTING PROGRAM

INTRODUCTION

Assembly Bill (AB) 3180 was enacted by the State Legislature to provide a mechanism to ensure that mitigation measures adopted through the California Environmental Quality Act ("CEQA") process are implemented in a timely manner and in accordance with the terms of project approval. Under AB 3180, local agencies are required to adopt a monitoring or reporting program designed to ensure compliance during project implementation.

The Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project Mitigation Monitoring and Reporting Program ("Mitigation Monitoring Program"), pursuant to AB 3180, CEQA Section 21081.6 and CEQA Guidelines Section 15091, provides the basic framework through which adopted mitigation measures will be monitored to ensure implementation.

ORGANIZATION

The Mitigation Monitoring Program is organized in a table format, keyed to each adopted Final EIS/EIR mitigation measure. For each measure, the table: (1) lists the mitigation measure; (2) specifies the party responsible for implementing the measure; (3) establishes a schedule for mitigation implementation; (4) assigns mitigation monitoring responsibility; and (5) establishes monitoring actions and a schedule for mitigation monitoring.

IMPLEMENTATION

While the Mitigation Monitoring Program generally outlines the actions, responsibilities and schedule for mitigation monitoring, it does not attempt to specify the detailed procedures to be used to verify implementation (e.g., interactions between the Project Sponsor – the Transbay Joint Powers Authority, the San Francisco Redevelopment Agency and City departments, use of private consultants, signed-off on plans, site inspections, etc.). Specific monitoring procedures are either contained in approval documents or will be developed at a later date, closer to the time the mitigation measures will actually be implemented.

The majority of the measures will be monitored primarily by the Transbay Joint Powers Authority (TJPA), in consultation with other City and non-City agencies, as part of the site permit, building permit processes or other report.

TRANSBAY TERMINAL/CALTRAIN DOWNTOWN EXTENSION/REDEVELOPMENT PROJECT
FEIS/FEIR MITIGATION MONITORING AND REPORTING PROGRAM

MITIGATION MEASURE	Responsibility for Implementation	MITIGATION SCHEDULE	Monitoring Responsibility	Monitoring Actions/Schedule
Wind				
W 1 – Consider potential wind effects of an individual project for the Redevelopment area. If necessary, perform wind tunnel testing in accordance with City Planning Code Section 148. If exceedences of the wind hazard criterion should occur for any individual project, require design modifications or other mitigation measures to mitigate or eliminate these exceedences. Tailor mitigation measures to the individual needs of each project. Examples of mitigation measures include articulation of building sides and softening of sharp building edges.	San Francisco Redevelopment Agency (Agency)	During environmental review process preceding approval of each individual project in Transbay Redevelopment Area	Agency	Apply project review procedures for wind when projects are developed by or proposed to Agency.
Property Acquisition/Relocation				
Prop 1 – Apply federal Uniform Relocation Act (Public Law 91 646) and California Relocation Act (Chapter 16, Section 7260 et seq., of the Government Code) and related laws and regulations governing both land acquisition and relocation. All real property to be acquired will be appraised to determine its fair market value before an offer is made to each property owner. (Minimum relocation payments are detailed in the laws, and include moving and search payments for businesses.) Provide information, assistance, and payments to all displaced businesses in accordance with these laws and regulations.	City and County of San Francisco (CCSF), Agency, and TJPA	Prior to and during property acquisition and relocation activities	TJPA	TJPA to report to Board on compliance during acquisition and relocation activities.
Safety and Emergency Services				
Saf 1 – Provide project plans to the San Francisco Fire Department for its review to ensure that adequate life safety measures and emergency access are incorporated into the design and construction of Project facilities	Transbay Joint Powers Authority (TJPA)	Prior to project facility permitting and during construction	TJPA	Project facility plans to be forwarded to CCSF Fire Department prior to permit issuance. Inspect installation during construction.

MITIGATION MEASURE	Responsibility for Implementation	MITIGATION SCHEDULE	Monitoring Responsibility	Monitoring Actions/Schedule
Saf 2 – Prepare a life safety plan including the provision of on-site measures such as a fire command post at the Terminal, the Fire Department's 800-megahertz radio system and all necessary fire suppression equipment	TJPA	Prior to project facility permitting	TJPA	TJPA to develop life safety plan during facility design phases and implement during testing and startup up phase.
Saf 3 – Prepare a risk analysis to accurately determine the number of personnel necessary to maintain an acceptable level of service at Project facilities.	TJPA	Prior to project facility permitting	TJPA	TJPA to develop risk analysis during facility design phase.
Noise – Operations				
NoiO 1 – Apply noise mitigation at the following locations adjacent to the bus storage facility: • Provide sound insulation to mitigate noise impacts at the residences north of the AC Transit Facility at the corner of Perry and Third Street. At a minimum, apply sound insulation to the façade facing the bus storage facility (the south façade). • Construct two noise barriers to mitigate noise impacts to residences south of the AC Transit Facility along Stillman Street. The first noise barrier would be approximately 10 to 12 feet high and run along the southern edge of the AC Transit storage facility. The second noise barrier would be approximately 5 to 6 feet high and would be located on the portion of the ramp at the southwestern corner of the AC Transit facility. Treat the noise barriers with an absorptive material on the side facing the facility to minimize the potential for reflections off the underside of the freeway. • Construct a noise barrier to mitigate noise impacts to residences south of the Golden Gate Transit Facility along	TJPA	During construction	TJPA	TJPA to design detailed noise mitigation during preliminary and final design phases. TJPA engineering staff to inspect installation and/or construction of mitigation measures.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
Stillman Street. The barrier would be approximately 10 to 12 feet high and run along the southern and a portion of the eastern edge of the Golden Gate Transit storage facility. Treat the noise barriers with an absorptive material on the side facing the facility to minimize the potential for reflections off the underside of the freeway.				
NoiO 2 – Landscape the noise walls. Develop the actual design of the walls in cooperation with area residents.	TJPA	During preliminary and final design	TJPA	TJPA to work with area residents during design of noise walls.
NoiO 3 – Construct noise walls prior to the development of the permanent bus facilities.	TJPA	During schedule development, construction document preparation and construction	TJPA	TJPA to develop program schedule and contract documents to implement this construction sequencing requirement.
Noise – Construction				
NoiC 1 – Comply with San Francisco noise ordinance. The noise ordinance includes specific limits on noise from construction. The basic requirements are: • Maximum noise level from any piece of powered construction equipment is limited to 80 dBA at 100 feet. This translates to 86 dBA at 50 feet. • Impact tools are exempted, although such equipment must be equipped with effective mufflers and shields. The noise control equipment on impact tools must be as recommended by the manufacturer and approved by the Director of Public Works.	TJPA	During preparation of construction contract documents and construction	TJPA	TJPA to work with CCSF Department of Public Works (DPW) regarding construction noise mitigation program.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
• Construction activity is prohibited between 8 p.m. and 7 a.m. if it causes noise that exceeds the ambient noise plus 5 dBA The noise ordinance is enforced by the San Francisco DPW, which may waive some of the noise requirements to expedite the project or minimize traffic impacts. For example, along Townsend Street where much of the land use is commercial, business owners may prefer nighttime construction since it would reduce disruption during normal business hours. The DPW waivers usually allow most construction processes to continue until 2 a.m., although construction processes that involve impacts are rarely allowed to extend beyond 10 p.m. This category would include equipment used in demolition such as jackhammers and hoe rams, and pile driving. It is not anticipated that the construction documents would have specific limits on nighttime construction. There may be times when nighttime construction is desirable (e.g., in commercial districts where nighttime construction would be less disruptive to businesses in the area) or necessary to avoid unacceptable traffic disruptions. Since the construction would be subject to the requirements of the San Francisco noise regulations, in these cases, the contractor would need to work with the DPW to come up with an acceptable approach balancing interruption of the business and residential community, traffic disruptions, and reducing the total duration of the construction.				
NoiC 2 – Conduct noise monitoring. The purpose of monitoring is to ensure that contractors take all reasonable steps to minimize noise.	TJPA	During construction	TJPA	Monitoring data to be provided to CCSF DPW.
NoiC 3 – Conduct inspections and noise testing of equipment. This measure will ensure that all equipment on the site is in good condition and effectively muffled	TJPA	During construction	TJPA	Perform monitoring during construction.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
NoiC 4 – Implement an active community liaison program. This program would keep residents informed about construction plans so they can plan around periods of particularly high noise levels and would provide a conduit for residents to express any concerns or complaints about noise.	TJPA	During construction	TJPA	TJPA to develop and initiate community liaison program during final design prior to construction. Program will continue during construction.
NoiC5 – Minimize use of vehicle backup alarms. Because backup alarms are designed to get people's attention, the sound can be very noticeable even when their sound level does not exceed the ambient, and it is common for backup alarms at construction sites to be major sources of noise complaints. A common approach to minimizing the use of backup alarms is to design the construction site with a circular flow pattern that minimizes backing up of trucks and other heavy equipment. Another approach to reducing the intrusion of backup alarms is to require all equipment on the site to be equipped with ambient sensitive alarms. With this type of alarm, the alarm sound is automatically adjusted based on the ambient noise. In nighttime hours when ambient noise is low, the backup alarm is adjusted down.	TJPA	During construction document preparation and construction	TJPA	Review contract specifications during final design and inspect construction.
NoiC 6 – Include noise control requirements in construction specifications. These should require the contractor to • Perform all construction in a manner to minimize noise. The contractor should be required to select construction processes and techniques that create the lowest noise levels. Examples are using predrilled piles instead of impact pile driving, mixing concrete offsite instead of onsite, and using hydraulic tools instead of pneumatic impact tools.	TJPA	Final design and construction	TJPA	TJPA to develop detailed noise control requirements during preliminary engineering and final design. Ensure contractor obtains permits if necessary. Inspect construction activities for compliance and monitor noise levels. Where applicable, coordinate with CCSF departments with jurisdiction over activities, such

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
• Use equipment with effective mufflers. Diesel motors are often the major noise source on construction sites. Contractors should be required to employ equipment fitted with the most effective commercially available mufflers. • Perform construction in a manner to maintain noise levels at noise sensitive land uses below specific limits. • Perform noise monitoring to demonstrate compliance with the noise limits. Independent noise monitoring should be performed to check compliance in particularly sensitive areas. • Minimize construction activities during evening, nighttime, weekend and holiday periods. Permits would be required before construction can be performed in noise sensitive areas during these periods. • Select haul routes that minimize intrusion to residential areas. This is particularly important for the trench alternatives that will require hauling large quantities of excavation material to disposal sites. Controlling noise in contractor work areas during nighttime hours is likely to require some mixture of the following approaches: • Restrictions on noise producing activities during nighttime hours. • Laying out the site to keep noise producing activities as far as possible from residences, to minimize the use of backup alarms, and to minimize truck activity and truck queuing near the residential areas. • Use of procedures and equipment that produce lower noise				CCSF Department of Parking and Traffic (DPT) and DPW.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
levels than normal. For example, some manufacturers of construction equipment can supply special noise control kits with highly effective mufflers and other materials that substantially reduce noise emissions of equipment such as generators, tunnel ventilation equipment, and heavy diesel power equipment including mobile cranes and front-end loaders. • Use of temporary barriers near noisy activities. By locating the barriers close enough to the noise source, it is possible to obtain substantial noise attenuation with barriers 10 to 12 feet high even though the residences are 30 to 40 feet higher than the construction site. • Use of partial enclosures around noisy activities. It is sometimes necessary to construct shed-like structures or complete buildings to contain the noise from nighttime activities.				

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
Vibration – Operations				
VibO1 – Use high-resilience track fasteners or a resiliently supported tie system for the Caltrain Downtown Extension for areas projected to exceed vibration criteria, including the following locations: (1) Live/Work condos, 388 Townsend Street (Hubbell an Seventh), (2) San Francisco Residences on Bryant (Harrison Parking Lot Site), (3) Clock Tower Building, and Second Street High Rise and (4) new Marriott Courtyard (Marine Firefighter's Union).	TJPA	During preliminary engineering, final design and construction	TJPA	TJPA to develop locations/use of resilience track fasteners or resiliently supported tie system during preliminary engineering and final design. Review construction documents and inspect installation. Whare applicable, coordinate with CCSF departments with jurisdiction over activities, such as CCSF Department of Building Inspection (DBI) and DPW.
Vibration – Construction				
VibC1 – Limit or prohibit use of construction techniques that create high vibration levels. At a minimum, processes such as pile driving would be prohibited at distances less than 250 feet from residences.	TJPA	During preliminary engineering, final design and construction	TJPA	TJPA to ensure preliminary design, final design and contract documents preclude use of pile driving equipment within 250 feet of residences. Construction management and inspection will monitor contractors' activities to ensure compliance. Where applicable, coordinate with CCSF departments with jurisdiction over activities, such as DBI and DPW.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
VibC 2 – Restrict procedures that contractors can use in vibration sensitive areas. (It is often possible to employ alternative techniques that create lower vibration levels. For example, unrestricted pile driving is one activity that has considerable potential for causing annoying vibration. Using the cast-in-drilled-hole piling method instead will eliminate most potential for vibration impact from the piling.)	TJPA	During preliminary engineering, final design and construction	TJPA	TJPA to establish construction vibration design standards during final design. Include provisions in contract documents and monitor contractors' activities to ensure compliance. Where applicable, coordinate with CCSF departments with jurisdiction over activities, such as DBI and DPW.
VibC 3 – Require vibration monitoring during vibration intensive activities.	TJPA	During construction	TJPA	TJPA to include provisions for vibration monitoring in construction contract documents or perform monitoring under a separate contract. Where applicable, coordinate with CCSF departments with jurisdiction over activities, such as DBI and DPW.
VibC 4 – Restrict the hours of vibration intensive activities such as pile driving to weekdays during daytime hours.	TJPA	During design and construction	TJPA	TJPA to include provisions in contract documents and monitor contractors' activities to ensure compliance.
VibC 5 – Investigate alternative construction methods and practices to reduce the impacts in coordination with the construction contractor if resident annoyance from vibration becomes a problem.	TJPA	During final design and during construction	TJPA	TJPA to include provisions in contract documents and monitor contractors' activities to ensure compliance. Where applicable, coordinate with CCSF departments with jurisdiction over activities, such as DBI and DPW.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
VibC 6 – Include specific limits, practices and monitoring and reporting procedures for the use of controlled detonation. Control and monitor use of controlled detonation to avoid damage to existing structures. Include specific limits, practices, and monitoring and reporting procedures within contract documents to ensure that such construction methods, if used, would not exceed safety criteria.	TJPA	During final design and during construction	TJPA	TJPA to establish detailed limits, practices, and monitoring program for controlled detonation during final design. Include provisions in contract documents and monitor contractors' activities to ensure compliance. Where applicable, coordinate with CCSF departments with jurisdiction over activities, such as DBI and DPW.
Soils/Geology				
SG 1 – Monitor adjacent buildings for movement, and if movement is detected, take immediate action to control the movement.	TJPA	During construction	TJPA	TJPA to include provisions in contract documents requiring such monitoring and corrective measures and inspect contractors' activities to ensure compliance. Where applicable, coordinate with CCSF departments with jurisdiction over activities, such as DBI and DPW.
SG 2 – Apply geotechnical and structural engineering principles and conventional construction techniques similar to the design and construction of high-rise buildings and tunnels throughout the downtown area. Apply design measures and utilize pile-supported foundations to mitigate potential settlement of the surface and underground stations.	TJPA	During preliminary engineering and final design	TJPA	TJPA to review design and contract documents to ensure implementation. Where applicable, coordinate with CCSF departments with jurisdiction over activities, such as DBI and DPW.
SG 3 – Design and construct structural components of the project to resist strong ground motions approximating the maximum anticipated earthquake (0.5g). The cut-and-cover portions will require pile supports to minimize non-seismic settlement in soft compressible sediments (Bay Mud). The underground Caltrain station at Fourth and Townsend will require pile-supported foundations due to the presence of underlying soft sediments.	TJPA	During preliminary engineering, final design and construction	TJPA	TJPA to design structural components to meet seismic standards during preliminary engineering and final design. Review design, contract documents and construction activities to ensure implementation. Where applicable, coordinate with JPB and CCSF departments with jurisdiction

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
				over activities, such as DBI and DPW.
SG 4 – Underpin existing building, where deemed necessary, to protect existing structures from potential damage that could result from excessive ground movements during construction. Design the tunneling and excavation procedures (and construction sequence), and design of the temporary support system with the objective of controlling ground deformations within small enough levels to avoid damage to adjacent structures. Where the risk of damage to adjacent structures is too great, special measures will be implemented such as: (1) underpinning, (2) ground improvement, and/or (3) strengthening of existing structures to mitigate the risks. Underpinning may include internal strengthening of the superstructure, bracing, reinforcing existing foundations, or replacing existing foundations with deep foundations embedded outside the tunnel zone of influence. Alternatives, in lieu of underpinning, involve strengthening the rock between the building and crown of tunnel. Grouting in combination with inclined pin piles can be used not only to strengthen the rock, but also make the rock mass over the tunnel act as a rigid beam, allowing construction of tunnels with no adverse effects on the buildings supported on shallow foundations over the tunnel.	TJPA	During preliminary engineering, final design and construction	TJPA	TJPA to design tunneling, excavation procedures, underpinning, strengthening existing structures or ground improvement to protect existing structures from damage Include provisions in contract documents requiring contractors to implement measures during construction. Monitor construction activities to ensure compliance. Where applicable, coordinate with CCSF departments with jurisdiction over activities, such as DBI and DPW.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
SG 5 – TJPA shall assure proper design and construction of pile-supported foundations for structures to control potential settlement of the surface. Stability of excavations and resultant impacts on adjacent structures can be controlled within tolerable limits by proper design and implementation of the excavation shoring systems.	TJPA	During preliminary engineering, final design and construction	TJPA	TJPA to ensure foundations and excavation shoring systems are designed and constructed to minimize and control settlement and impacts on adjacent structures. Where applicable, coordinate with CCSF departments with jurisdiction over activities, such as DBI and DPW.
Utilities				
Util 1 – Coordinate with utility providers during preliminary engineering, continuing through final design and construction. Utilities would be avoided, relocated, and/or supported as necessary during construction activities to prevent damage to utility systems and to minimize disruption and degradation of utility service to local customers.	TJPA	During preliminary engineering, final design and construction	TJPA	TJPA to identify utilities; design relocations or protection measures where required; and include requirements in contract documents. Monitor construction activities to ensure implementation of all required measures.
Cultural and Historic Resources				
CH 1 – Comply with the provision of the signed Memorandum of Agreement (MOA) between the Federal Transit Administration, the State Historic Preservation Officer, and the TJPA.	TJPA	During preliminary engineering, final design and construction	TJPA	TJPA will assure compliance with MOA provisions during preliminary engineering, final design and construction, as described below.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
CH 2 – – <u>Professional Qualifications</u>. Assure all activities regarding history, historic preservation, historic architecture, architectural history, historic and prehistoric archaeology are carried out by or under the direct supervision of persons meeting, at a minimum, the Secretary of the Interior's professional qualifications standards (48 FR 44738-9) (PQS) in these disciplines. Nothing in this stipulation may be interpreted to preclude any signatory or any agent or contractor thereof from using the properly supervised services or persons who do not meet the PQS. **<u>Historic Preservation Standards</u>.** Assure all activities regarding history, historic preservation, historic architecture, architectural history, historic and prehistoric archaeology are carried out to reasonably conform to the Secretary of Interior's Standards and Guidelines for Archaeology and Historic Preservation (48 FR 44716-44740) as well as to applicable standards and guidelines established by SHPO. **<u>Curation and Curation Standards.</u>** Ensure that FTA and TJPA shall, to the extent permitted under sections 5097.98 and 5097.991.[sic] of the California Public Resources Code, materials and records resulting from any archaeological treatment or data recovery that may be carried out pursuant to this MOA, are curated in accordance with 36 CFR Part 79.	TJPA	During preliminary engineering, final design and construction	TJPA	Prior to initiation of design and construction activities, TJPA will require submission of and review qualifications of professionals performing the MOA activities to assure that Secretary of Interior standards are met.
CH 3 – Integrate into the design of the new terminal a dedicated space for a permanent interpretive exhibit. The interpretive exhibit will include at a minimum, but is not necessarily limited to: plaques or markers, a mural or other depiction of the historic Transbay Transit Terminal (TTT), ramps, or Key System, or other interpretive material.	TJPA	During preliminary engineering and final design	TJPA	TJPA will include space for interpretive exhibit in terminal during design. Review contract documents and construction submittals and activities to ensure implementation.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
CH 4 – Consult with the State Department of Transportation (Department) regarding the availability of historical documentary materials for the creation of the permanent interpretive display of the history of the original TTT building and its association with the San Francisco- Oakland Bay Bridge. Department will assist TJPA in planning the scope and content of the proposed interpretive exhibit. Invite the Oakland Heritage Alliance, the San Francisco Architectural Heritage, the California State Railroad Museum, and the Western Railway Museum to participate in this consultation. While retaining responsibility for the development of the exhibit, TJPA will jointly consider the Department's and participating invitees' recommendations when finalizing the exhibit design. TJPA will produce, install, and maintain the exhibit.	TJPA	During preliminary engineering and final design	TJPA	TJPA will consult with Department regarding availability of documentary materials. TJPA will invite participation in this review from the other designated parties. TJPA will produce, install, and maintain the exhibit in the new Transbay Terminal.
CH 5 – Consult with the City of Oakland about its possible interest in having a similar interpretive exhibit in the East Bay. If agreement is reached prior to completion of final design of the Transbay Terminal, TJPA will provide and deliver exhibit materials to a venue that is mutually satisfactory to TJPA and the City of Oakland.	TJPA	During preliminary engineering and final design	TJPA	During preliminary engineering and final design, TJPA will consult with City of Oakland regarding its possible interest in establishing an exhibit. TJPA will provide and deliver exhibit materials to a venue in the City of Oakland that is mutually satisfactory to TJPA and the City of Oakland should such an exhibit be developed.
CH 6 – Identify, in consultation with Department, elements of the existing TTT that may be suitable for salvage and interpretive use by museums. Within two years following execution of this MOA by FTA and SHPO, TJPA will offer any elements identified as suitable for salvage and interpretive use to San Francisco Architectural Heritage, the California State Railroad Museum, Sacramento, the Western Railway Museum, the Oakland Museum, and any other interested parties. Remove any elements selected in a manner that minimizes damage and deliver with legal title to the recipient. Items not accepted by interested	TJPA	During preliminary engineering and final design	TJPA	Acceptance of items by interested parties must be completed at least 90 days prior to demolition of the Transbay Terminal

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
parties for salvage or interpretive use within the time frame specified herein will receive no further consideration.				
CH 7 – Consult with Department and the Oakland Museum about contributing to Department's exhibit and the production of an interpretive video at the Oakland Museum relating to the history and engineering of the major historic state bridges of the San Francisco Bay Area. TJPA will propose contributions to such an exhibit and video that would be related to the history of the TTT, bus ramp loop structures, and the Key System. Items contributed by TJPA to such an exhibit may include photographs, drawings, videotape, models, oral histories, and salvaged components from the TTT.	TJPA	During preliminary engineering and final design	TJPA	TJPA will produce and deliver to the Oakland Museum agreed-upon materials for such an exhibit and interpretive video.
CH 8 – Assist the Oakland Museum by contributing up to $50,000 toward the cost of preparing and presenting the exhibit and preparing an exhibit catalog or related museum publication in conjunction with the exhibit, in a manner and to the extent that is mutually satisfactory to TJPA, Department, and the Oakland Museum. A separate agreement will outline the negotiated financial contributions. Work with the Oakland Museum and assist in the preparation of an exhibit and interpretive video if consultation results in agreement between TJPA and the Oakland Museum prior to demolition of the existing TTT.	TJPA	During preliminary engineering and final design	TJPA	TJPA will work with Oakland Museum and assist in the preparation of an exhibit and an interpretive video if consultation results in an agreement between TJPA and Oakland Museum prior to demolition of the existing Transbay Terminal

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
CH 9 – Request that SHPO, prior to the start of any work that would have an adverse effect on components of the Bay Bridge that are historic properties, determine whether these components, including the TTT and associated ramps, have been adequately recorded in existing documents. If SHPO determines that, collectively, such documents, which include the Department's past recordation of a series of remodeling and seismic retrofit project that have occurred since 1993, adequately document the TTT and ramps, then no further documentation will be necessary.	TJPA	During preliminary engineering and final design	TJPA	TJPA will consult with the SHPO regarding adequacy of prior recordation efforts.
Seek, with the assistance of the Department, to obtain the original drawings of the TTT by architect T. Pflueger.				TJPA will work with Department to seek original drawings of the Transbay Transit Terminal.
If SHPO determines that existing documentation is adequate, compile such documentation into a comprehensive record. Components to be included in the review of past documentation are: • 425 Mission Transbay Transit Terminal (APN 3719-003, 3720-001, 3721-006); • Upper Deck San Francisco Approaches or North Connector, Bridge #34-116F; • Upper Deck San Francisco Approaches or Center Ramps, Bridge #34-118L; • San Francisco Approaches or Lower Deck On-Ramp, Bridge #34-118R; • Transbay Terminal Loop ramp, Bridge #34-119Y; and • Harrison Street over-crossing Bridge #34-120Y.				If SHPO determines that existing documentation is adequate, compile such documentation into a comprehensive record.
Consult further with SHPO, if SHPO determines that existing documentation does not constitute adequate recordation of the Bay Bridge components addressed hereunder. SHPO will determine what level and type of additional documentation is necessary.				If SHPO determines that existing documentation does not constitute adequate recordation of the Bay Bridge components, then TJPA and SHPO will consult further and SHPO will determine what level and type of additional documentation is necessary.
Provide xerographic copies of this documentation to the SHPO and the Department Headquarters Library, upon a written				

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
determination by SHPO that all documentation prescribed hereunder is satisfactory, to the History Center at the San Francisco Public Library, San Francisco Architectural Heritage, the Oakland History Room of the Oakland Public Library, the Oakland Museum of California, the Western Railway Museum, and Department District 4 Office. Thereafter, TJPA may proceed with that aspect of the Project that will adversely affect the historic properties documented hereunder.				If no response from SHPO within 45 days of receipt of each submittal of documentation, TJPA may assume that said documentation is adequate and may proceed with the project. TJPA will ensure that these records are accepted by SHPO prior to demolition of the TTT and provide copies of the documentation to designated agencies. Then, TJPA will proceed with the aspect of the project that will adversely affect the historic properties documented.
CH 10 – Within 180 days after FTA determines that the Project has been completed, TJPA, in consultation with FTA and SHPO, will re-revaluate the Bay Bridge, a property listed on the NRHP, and determine whether the National Register nomination should be amended or whether the bridge no longer qualifies for listing and should be removed from the National Register. As appropriate, TJPA will prepare and submit to the FTA and SHPO either an amended nomination or petition for removal, to be processed according to the procedures set forth in 36 CFR Part 60 (60.14 and 60.15).	TJPA	Within 180 days after FTA determines that the Project has been completed	TJPA	As appropriate, TJPA will prepare and submit to the FTA and SHPO either an amended nomination or petition for removal, to be processed according to the procedures set forth in 36 CFR part 60 (60.14 and 60.15). TJPA will coordinate these efforts with the CCSF Planning Department.
CH 11 – Develop and implement measures, in consultation with the owners of historic properties immediately adjoining the construction sites, to protect the contributing elements of the Second and Howard Streets Historic District and the Rincon Point/South Beach Historic Warehouse Industrial District from damage by any aspect of the Project. Such measures will include, but are not necessarily limited to those identified in the MOA. The protective measures herein stipulated will be developed and implemented by TJPA prior to the commencement of any aspect	TJPA	During preliminary engineering, final design, and construction	TJPA	TJPA will contact owners of record of historic properties that will be affected (but that will not be acquired and demolished) by the Project. TJPA will provide and review this mitigation monitoring program with the owners via correspondence and/or public and face-to-face meetings. TJPA will coordinate these efforts with the CCSF Planning Department prior to commencement of any aspect of the

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
of the Project that could have an adverse effect on historic properties immediately adjoining the construction sites herein identified. In addition, TJPA will monitor the effectiveness of the protective measures herein stipulated and will supplement or modify these measures as and where necessary in order to ensure that they are effective. The historic properties covered by the terms of this paragraph are • 589-591 Howard Street/3736-098, NRHP Status: 1D, Contributing Element of Second & Howard District & New Montgomery/Second Street, Const. Date: 1906, Type of Impact: Cut-and-cover construction nearby. • 163 Second Street/3721-048, NRHP Status: 1D, Contributing Element of Second & Howard District & New Montgomery/Second Street, Const. Date: 1907, Type of Impact: Cut-and-cover construction nearby. • 166-78 Townsend Street/3788-012, NRHP Status: 3D Contributing Element of Rincon Point/South Beach District & South End District, Const. Date: 1910 [1], 1988 [2], Type of Impact: Cut-and-cover construction nearby. Need construction easement. • 640-Second Street/3788-002, NRHP Status: 252, Contributing Element of Rincon Point/South Beach District & South End District, Const. Date: 1926, Type of Impact: Tunnel under or near property • 650 Second Street/3788-049 through 3788-073, NRHP Status: 252, Contributing Element of Rincon Point/South Beach District & South End District, Const. Date: 1922, Type of Impact: Tunnel under or near property • 670-680 Second Street/3788-043, 3788-044, NRHP Status: 252 (670), 3D (680), Contributing Element of Rincon Point/South				project that could have any adverse effect on historic properties immediately adjoining the construction sites herein identified. TJPA will monitor the effectiveness of the protective measures and will supplement or modify these measures as and where necessary in order to ensure that they are effective.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
Beach District & South End District, Const. Date: 1913, Type of Impact: Tunnel under or near property				
• 301-321 Brannan Street/3788-037, NRHP Status: 3D, Contributing Element of Rincon Point/South Beach District & South End District, Const. Date: 1909, Type of Impact: Tunnel under or near property				
• 130 Townsend Street/3788-008, NRHP Status: 3D, Contributing Element of Rincon Point/South Beach District & South End District, Const. Date: 1910 [1], 1895-6 [2], Type of Impact: Tunnel under or near property				
• 136 Townsend Street/3788-009, NRHP Status: 3D, Contributing Element of Rincon Point/South Beach District & South End District, Const. Date: 1902 [1], 1913 [2], Type of Impact: Tunnel under or near property				
• 144-46 Townsend Street/3788-009A, NRHP Status: 3D, Contributing Element of Rincon Point/South Beach District & South End District, Const. Date: 1922, Type of Impact: Tunnel under or near property				
• 148-54 Townsend Street/3788-010, NRHP Status: 3D, Contributing Element of Rincon Point/South Beach District & South End District, Const. Date: 1922, Type of Impact: Tunnel under or near property				
• 162-164 Townsend Street/3788-081, NRHP Status: 3D, Contributing Element of Rincon Point/South Beach District & South End District, Const. Date: 1919, Type of Impact: Tunnel under or near property				

Notes: National Register Status Codes are as follows:
1 – Listed on the NRPH
251 – Determined eligible for listing by the Keeper of the

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
Register 252 – Determined eligible for listing by the consensus of the SHPO and federal agency 1D – Listed on the National Register as a contributor to a district or multi-resource property				
CH 12 –TJPA will take the effect of the Project on the three historic properties listed below into account by recording these properties in accordance with the terms herein set forth. These buildings are: • 191 2nd Street, (APN: 3721-022), • 580-586 Howard Street, (APN: 3721-092 through 3721-106), and • 165-173 2nd Street, (APN: 3721-025) Prior to taking any action that could adversely affect these properties, consult SHPO and SHPO will determine the type and level of recordation that is necessary for these properties. Upon a written determination by SHPO that all documentation prescribed hereunder is complete and satisfactory, submit a copy of this documentation to SHPO, with xerographic copies8 to the History Center at the San Francisco Public Library, San Francisco Architectural Heritage, and the Oakland History Room of the Oakland Public Library. Thereafter, proceed with that aspect of the Project that will adversely affect the historic properties documented hereunder. If SHPO does not respond within 45 days of receipt of each submittal of documentation prescribed herein, assume that SHPO has determined that said documentation is adequate and may proceed with that aspect of the Project that will adversely affect the historic properties documented hereunder.	TJPA	During preliminary engineering and final design	TJPA	TJPA will consult SHPO and SHPO will determine the type of recordation necessary for the properties. TJPA will submit a copy of this documentation to SHPO, upon a written determination by SHPO that all documentation prescribed hereunder is complete and satisfactory, with copies to the designated agencies. If no response from SHPO within 45 days of receipt of each submittal of documentation, then TJPA may proceed with the project.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
CH 13 – Repair, in accordance with the Secretary of the Interior's Standards for Rehabilitation, any damage to contributing elements of the Second and Howard Streets Historic District and the Rincon Point/South Beach Historic Warehouse Industrial District resulting from the Project. Photograph the condition of the contributing elements prior to the start of the Project to establish the baseline condition for assessing damage. Consult with property owner(s) about the appropriate level of photographic documentation of building interiors and exteriors. Provide a copy of this photographic documentation to the property owner(s), and retain on file. Submit repair plans and specifications to SHPO for review and comment, if repair of inadvertent damage resulting from the Project is necessary, to ensure that the work conforms to the Secretary of the Interior's Standards for Rehabilitation. Consult with SHPO to establish a mutually satisfactory time frame for the SHPO's review. TJPA will carry out any repairs required hereunder in accordance with the comments of SHPO.	TJPA	Prior to, during, and following construction	TJPA	TJPA will repair any damage to contributing elements. TJPA will photograph condition of contributing properties prior to the start of the Project to establish the baseline condition for assessing damage. TJPA will consult with property owner(s) about the appropriate level of photographic documentation of building interiors and exteriors, provide a copy of this photographic documentation to the property owner(s), and retain copy on file by TJPA. TJPA will submit repair plans and specifications to SHPO for review and comment, if repair of inadvertent damage is necessary, to ensure conformance to the Secretary of the Interior's Standards for Rehabilitation.
CH 14 – Within 180 days after FTA determines that the Project has been completed, TJPA, in consultation with FTA and SHPO, will re-revaluate the Second and Howard Streets Historic District and determine whether the National Register nomination should be amended or whether the district no longer qualifies for listing and should be removed from the National Register. As appropriate, TJPA will prepare and submit to the FTA and SHPO either an amended nomination or petition for removal, to be processed according to the procedures set forth in 36 CFR Part 60 (60.14 and 60.15).	TJPA	Within 180 days after FTA determines that the Project has been completed	TJPA	As appropriate, TJPA will prepare and submit to the FTA and SHPO either an amended nomination or petition for removal, to be processed according to the procedures set forth in 36 CFR part 60 (60.14 and 60.15). TJPA will coordinate these efforts with the CCSF Planning Department.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
CH 15 – Within 45 days following execution of MOA, consult with FTA, SHPO, JPB and CCSF to initiate the process of determining how archaeological properties that may be affected by the Project will be identified, whether and how the NRHP eligibility of such properties may be addressed, and whether and how the Project's effects, if any, on those archaeological properties that may be considered historic properties for purposes of this MOA, may be taken into account. FTA and TJPA to invite Caltrans to participate in this consultation. Determine the time frame for this consultation with the consulting parties through consensus. Consultation will at minimum be informed by, and take into account, the following documents: 1) Attachment 6, "Standard Treatment of Archaeological Sites: Data Recovery Plan," of the "Programmatic Agreement among the Federal Highway Administration, the Advisory Council on Historic Preservation, the California State Historic Preservation Office, and the California Department of Transportation regarding compliance with Section 106 of the National Historic Preservation Act, as it pertains to the Administration of the Federal Aid Highway Program in California;" 2) "Archaeological Research Design and Treatment Plan for SF-480 Terminal Separation Rebuild (Praetzellis and Praetzellis, 1993)" and " The San Francisco-Oakland Bay Bridge, West Approach Replacement: Archaeological Research Design and Treatment Plan (Ziesing, 2000); 3) "Revised Historical Archaeology Research Design for the Central Freeway Replacement Project (Thad M. Van Bueren, Mary Praetzellis, Adrian Praetzellis, Frank Lortie, Brian Ramos, Meg Scantlebury and Judy D. Tordoff)."	TJPA	During preliminary engineering phase	TJPA	SHPO, FTA, SHPO, TJPA, JPB, and CCSF will consult to determine how archaeological properties will be identified, whether and how the NRHP eligibility of such properties may be addressed, and whether and how the Project's effects, if any, on those archaeological properties that may be considered historic properties may be taken into account. Invite Caltrans to participate in this consultation. The consultation will take into account the designated documents.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
CH 16 – If the consulting parties agree that a treatment plan for archaeological properties should be prepared, prepare a Treatment Plan for archaeological resources that provides for the identification, evaluation, and treatment of archaeological properties that may be affected by the Project and that conform to the requirements above of item CH13 1) and take into account the information contained in items CH13 2) and CH13 3) and conform to any other standards, documentation, or guidance that the consulting parties may specify. If the consulting parties agree that the Treatment Plan will address historic archaeological properties as well as prehistoric archaeological properties, ensure that appropriately qualified historians prepare a historic context(s) that will be used by an interdisciplinary team consisting at a minimum of historians and historic archaeologist. The historic context will, at a minimum: 1) identify significant research themes and topics that relate to the historic period(s) addressed by the historic context(s) 2) determine what types of historic archaeological properties, if any, that may usefully and significantly contribute to research themes and topics deemed by the historic context(s) study to be important 3) identify the specific components and constituents (features, artifacts, etc., if any, of historic archaeological property types that can factually and directly, contribute data important to our understanding of significant historic research themes and topics 4) determine the amount (sample size, etc.) of archaeological excavation and related activity that is needed to provide the range and type of factual data that will contribute to our understanding of significant historic research themes and topics	TJPA	During preliminary engineering	TJPA	TJPA will assure completion of comprehensive treatment plan consistent with the content required in the MOA, if the consulting parties agree that a treatment plan for archaeological properties is to be prepared. TJPA shall transmit this plan to the signatories of the MOA. TJPA will ensure that appropriately qualified historians prepare a historic context(s) that includes the specified information for use by an interdisciplinary team consisting at a minimum of historians and historic archaeologist, if the consulting parties agree that the Treatment Plan will address historic archaeological properties as well as prehistoric archaeological properties.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
Submit the draft Treatment Plan to the other consulting parties for review and comment. The consulting parties have 45 days from receipt of the draft Treatment Plan to comment in writing to FTA and TJPA. Failure of the consulting parties to respond within this time frame shall not preclude FTA and TJPA from finalizing the draft Treatment Plan to their satisfaction. Before finalizing the draft Treatment Plan, FTA and TJPA to provide the consulting parties with written documentation indicating whether and how the draft Treatment Plan will be modified. Unless any consulting party objects to this documentation in writing to FTA and TJPA within 15 days following receipt, finalize the draft Treatment Plan as deemed appropriate by FTA and TJPA, and proceed to implement the final Treatment Plan.	TJPA	During preliminary engineering phase	TJPA and FTA	TJPA will submit the draft Treatment Plan to the consulting parties for review and comment. Before finalizing the draft Treatment Plan, FTA and TJPA will provide the consulting parties whether and how the draft Treatment Plan will be modified. TJPA will ensure that the consulting parties have 15 days following receipt of notification of the modifications to comment in writing about the proposed modifications. Unless consulting party objects, FTA and TJPA will finalize the draft Treatment Plan as they deem appropriate, and TJPA and FTA will implement the final Treatment Plan.
If FTA and TJPA propose to modify the final Treatment Plan, they will notify the consulting parties concurrently in writing about the proposed modifications. The consulting parties will have 15 days from receipt of notification to comment in writing to FTA and TJPA. Failure of the consulting parties to respond within this time frame shall not preclude FTA and TJPA from modifying the final Treatment Plan to their satisfaction. Before modifying the final Treatment Plan, FTA and TJPA will provide the consulting parties with written documentation indicating whether and how the final Treatment Plan will be modified. Unless any consulting party objects to this documentation in writing to FTA and TJPA within 15 days following receipt, modify the final Treatment Plan as appropriate, and proceed to implement the modified final Treatment Plan.	TJPA	During preliminary engineering phase	TJPA and FTA	FTA and TJPA will provide the consulting parties whether and how the final Treatment Plan will be modified. TJPA will ensure that the consulting parties have 15 days following receipt of notification of the modifications to comment in writing about the proposed modifications. Unless consulting party objects, FTA and TJPA will modify the final Treatment Plan as they deem appropriate, and TJPA and FTA will proceed to implement the modified final Treatment Plan.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
CH 17 – 1) Within two years after FTA, in consultation with TJPA, has determined that all fieldwork required by the Treatment Plan has been completed, prepare a draft technical report that documents the results of implementing the Treatment Plan and distributes this draft technical report to the other MOA signatories for review. The reviewing parties will be afforded 60 days following receipt of the draft technical report to submit any written comments to FTA and TJPA. Failure of the reviewing parties to respond within this time frame shall not preclude FTA from authorizing TJPA to revise the draft technical report as FTA and TJPA deem appropriate. FTA will provide the reviewing parties with a written documentation indicating modifications in accordance with any reviewing party comments. Unless the reviewing parties object to this documentation in writing to FTA and TJPA within 30 days following receipt, modify the draft technical report as FTA and TJPA deem appropriate. Thereafter, issue the technical report in final form and distribute this document in accordance with paragraph CH15 2). 2) Distribute copies of the final technical report documenting the results of the Treatment Plan implementation to the other signatory parties, to any consulting Native American Tribe if prehistoric, protohistoric or ethnographic period archaeological properties were located and addressed under the Treatment Plan, and to the appropriate California Historical Resources Information Survey (CHRIS) Regional Information Center, subject to the terms of Stipulation IV. E (CH19). 3) Prepare a written draft document that communicates in lay terms the results of Treatment Plan implementation to members of the interested public. Distribute this written draft document for review and comment concurrently with and in the same manner as that prescribed for the draft written technical report prescribed by paragraph C.1. of this stipulation. If the draft document prescribed hereunder is a publication such as a report or	TJPA	Within two years of completed fieldwork	TJPA and FTA	TJPA will prepare a draft technical report that documents the results of implementing the Treatment Plan and distribute this draft technical report to the other MOA signatories for review. FTA to authorize TJPA to revise draft as deemed appropriate by FTA and TJPA. FTA will provide the reviewing parties with a written documentation indicating modifications in accordance with any reviewing party comments. Unless any reviewing party objects, FTA and TJA to issue technical report in final form and distribute in accordance with paragraph CH15 2). TJPA will distribute copies of the final technical report documenting the results of Treatment Plan implementation to other signatory parties, to any consulting Native American Tribe, as applicable, and to the appropriate CHRIS Regional Information Center. TJPA will prepare a written draft document that communicates in lay terms the results of Treatment Plan implementation to members of interested public.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
brochure, then distribute such publication to the other signatory parties, to any consulting Native American Tribe as applicable, and to any other entity that the signatory parties and, as applicable, any consulting Native American Tribe, through consultation as appropriate, subject to the terms of Stipulation IV.E (CH 19).				
4) Prepare a written annual report describing the status of its efforts to comply with the terms of Stipulations II – IV, inclusive, of this MOA. Prepare the annual report following the end of each fiscal year (July 1 to June 30) that this MOA is in effect and distributed it to all MOA signatories by July 30 of each year until FTA and the SHPO through consultation determine that the requirements of stipulations II – IV, inclusive of this MOA have been satisfactorily completed.	TJPA	During preliminary engineering, final design, and construction	TJPA	TJPA will prepare an annual report describing its efforts to comply with the terms of stipulations II-IV.
CH 18 – If the consulting parties agree that a plan for treatment of archaeological properties will not be prepared, then address any archaeological properties discovered during implementation of any aspect of the Project pursuant to 36 CFR 800.13(b)(3).	TJPA	During construction phase	TJPA	If treatment plan not prepared, TJPA will address any archaeological properties discovered during implementation of any aspect of the Project pursuant to 36 CFR 800.13(b)(3).
CH 19 – The signatories to the MOA acknowledge that historic properties covered by this MOA are subject to the provisions of Section 304 of the National Historic Preservation Act of 1966, as amended, and Section 6254.10 of the California Government Code (Public Records Act), relating to the disclosure of archaeological site information and, having so acknowledged, will ensure that all actions and documentation prescribed by this Agreement are consistent with Section 304 of the National Historic Preservation Act of 1966, as amended, and Section 6254.10 of the California Government Code.	TJPA	During preliminary engineering phase	TJPA	TJPA will acknowledge that historic properties covered by the MOA are subject to the provisions specified in the MOA, relating to the disclosure of archaeological site information. TJPA will ensure that actions and documentation are consistent with same.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
CH 20 – The parties to the MOA agree that Native American burials and related items discovered during implementation of the terms of the MOA and of the Project will be treated in accordance with the requirements of Section 7050.5(b) of the California Health and Safety Code. If, pursuant to Section 7050.5(c) of the California Health and Safety Code, the county coroner/medical examiner determines that the human remains are, or may be of Native American origin, then the discovery shall be treated in accordance with the provisions of Section 5097.98(a)-(d) of the California Public Resources Code. TJPA will ensure that to the extent permitted by applicable law and regulation, the views of any consulting Native American Tribe and the Most Likely Descendant(s) are taken into consideration when decisions are made about the disposition of other Native American archaeological materials and records.	TJPA	Prior to, during, and following construction	TJPA	TJPA agree that Native American burials and related items discovered during implementation of the terms of the MOA and of the Project will be treated in accordance with the requirements specified. If, pursuant to Section 7050.5(c) of the California Health and Safety Code, the county coroner/medical examiner determines that the human remains are, or may be of Native American origin, then the discovery shall be treated in accordance with the provisions specified. TJPA will ensure that to the extent permitted by applicable law and regulation, the views of any consulting Native American Tribe and the Most Likely Descendant(s) are taken into consideration when decisions are made about the disposition of other Native American archaeological materials and records.
Hazardous Materials/Waste – Operations				
HWO 1 – Construct and operate any Caltrain fueling facility in compliance with local, state and Federal regulations regarding handling and storage of hazardous materials. (Caltrain Joint Powers Board (JPB)/TJPA)	Caltrain Joint Powers Board (JPB)	During construction and operations	TJPA	Review design and contract documents to ensure compliance with all applicable regulations. Obtain all applicable permits. Inspect construction to ensure compliance with contract documents and regulations. Inspect operations, and comply with all permitting and reporting requirements.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
HWO 2 – Equip diesel fuel pumps with emergency shut-off valves and, in compliance with U.S. EPA requirements, fuel Underground Storage Tanks (USTs) would be equipped with leak detection and monitoring systems.	JPB	During operations	TJPA	Review design and contract documents to ensure compliance with all applicable regulations. Obtain all applicable permits. Inspect construction to ensure compliance with contract documents and regulations. Inspect operations, and comply with all permitting and reporting requirements
HWO 3 – Employ the use of secondary containment systems for any aboveground storage tanks.	JPB	During operations	TJPA	Secondary containment to be included in facility design and construction and maintained during operations
HWO 4 – Store cleaning solvents in 55-gallon drums, or other appropriate containers, within a bermed area to provide secondary containment.	JPB	During operations	TJPA	Inspect operations, and comply with all permitting and reporting requirements
HWO 5 – Slope paved surfaces within the fueling facility and the solvent storage area to a sump where any spilled liquids could be recovered for proper disposal.	JPB	During construction and operations	TJPA	Sloped paved surfaces and sump to be included in facility design
HWO 6 – Follow California OSHA and local standards for fire protection and prevention for the handling and storage of fuels and solvents.	JPB	During operations	TJPA	Review design and contract documents to ensure compliance with all applicable regulations. Obtain all applicable permits. Inspect construction to ensure compliance with contract documents and regulations. Inspect operations, and comply with all permitting and reporting requirements

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
HWO 7 – Prepare a Hazardous Materials Management/Business Plan and file with the CCSF Department of Public Health.	JPB	During final design	TJPA	JPB to prepare and TJPA to file Hazardous Materials Management/ Business Plan with CCSF Department of Public Health (DPH)
Hazardous Materials/Waste – Construction				
HMC 1 – Follow California OSHA and local standards for fire protection and prevention. Handling and storage of fuels and other flammable materials during construction will conform to these requirements, which include appropriate storage of flammable liquids and prohibition of open flames within 50 feet of flammable storage areas.	TJPA	During construction	TJPA	Review design and contract documents to ensure compliance with all applicable regulations. Obtain all applicable permits. Inspect construction to ensure compliance with contract documents and regulations.
HMC 2 – Perform detailed investigations of the potential presence of contaminants in soil and groundwater prior to construction, using conventional drilling, sampling, and chemical testing methods. Based on the chemical test results, a mitigation plan will be developed to establish guidelines for the disposal of contaminated soil and discharge of contaminated dewatering effluent, and to generate data to address potential human health and safety issues that may arise as a result of contact with contaminated soil or groundwater during construction. The investigation and mitigation plan will follow the requirements of the City and County of San Francisco's Article 22A in the appropriate areas along the alignment. With construction projects of this nature and magnitude, there are typically two different management strategies that can be employed to address contaminated soil handling and disposal issues. Contaminated soil can be excavated and stockpiled at a centralized location and subsequently sampled and analyzed for disposal profiling purposes in accordance with the requirements of the candidate disposal landfill. Alternatively, soil profiling for	TJPA	During construction	TJPA	Review design and contract documents to ensure compliance with all applicable regulations. Obtain all applicable permits. Inspect construction to ensure compliance with contract documents and regulations. Where applicable, coordinate with CCSF departments with jurisdiction over activities, such as DPH and DPW.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
disposal purposes can be done in-situ so when soil is excavated it is loaded directly on to trucks and hauled to the appropriate landfill facility for disposal based on the in-situ profiling results. A project of this nature could also combine both strategies.				
HMC 3 – Cover with plastic sheeting soils removed during excavation and grading activities that remain at a centralized location for an extended period of time to prevent the generation of fugitive dust emissions that migrate offsite.	TJPA	During construction	TJPA	Review design and contract documents to ensure compliance. Obtain all applicable permits. Inspect construction to ensure compliance with contract documents and regulations.
HMC 4 – Use a licensed waste hauler, applying appropriate manifests or bill of lading procedures, as required to haul soil for disposal at a landfill or recycling facility.	TJPA	During construction	TJPA	Review design and contract documents to ensure compliance. Obtain all applicable permits. Inspect construction to ensure compliance with contract documents and regulations.
HMC 5 – Use chemical test results for groundwater samples along the alignment to obtain a Batch Discharge Permit under Article 4.1 of the San Francisco Department of Public Works as well as to evaluate requirements for pretreatment prior to discharge to the sanitary sewer. Effluent produced during the dewatering of excavations will be collected in onsite storage tanks and periodically tested, as required under discharge permit requirements, for potential contamination to confirm the need for any treatment prior to discharge.	TJPA	During construction	TJPA	Review design and contract documents to ensure compliance. Obtain all applicable permits. Inspect construction to ensure compliance with contract documents and regulations. Where applicable, coordinate with CCSF departments with jurisdiction over activities, such as DPH and DPW.
If required, treatment may include:				
o Settling to allow particulate matter (total suspended solids) to settle out of the effluent in order to reduce the sediment load as well as reduce elevated metal and other contaminant concentrations that may be associated with suspended				

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
sediments; and/or o Construction of a small-scale batch waste water treatment system to remove dissolved contaminants (mainly organic constituents such as petroleum hydrocarbons [gas, diesel, and oils], BTEX, and VOCs) from the dewatering effluent prior to discharge to the sanitary sewer. A treatment system would also likely employ the use of filtration to remove suspended solids.				
HMC 6 – Develop a detailed mitigation plan for the handling of potentially contaminated soil and groundwater prior to starting project construction.	TJPA	During final design	TJPA	Review detailed mitigation plan, include provisions in contract documents and inspect construction to ensure compliance. Where applicable, coordinate with CCSF departments with jurisdiction over activities, such as DPH and DPW. Obtain all applicable permits
HMC 7 – Design dewatering systems to minimize downward migration of contaminants that can result from lowering the water table if necessary based on environmental conditions. As necessary, shallow soils with detected contamination would be dewatered first using wells screened only in those soils. Dewatering of deeper soils would then be performed using wells screened only in the zone to be dewatered. Dewatering wells would be installed using drilling methods that prohibit shallow contaminated soils from being carried deeper into the boreholes.	TJPA	During final design and construction	TJPA	Include requirements in contract documents and monitor construction activities to ensure compliance. Where applicable, coordinate with CCSF departments with jurisdiction over activities, such as DPH and DPW
HMC 8 – Require that workers performing activities on site that may involve contact with contaminated soil or groundwater have appropriate health and safety training in accordance with 29 CFR 1910.120. A Worker Health and Safety Plan (HSP) will be developed for the project and monitored for the implementation of the plan on a day-to-day basis by a Certified Industrial Hygienist (CIH). The	TJPA	During construction	TJPA	Provide health-and-safety training prior to start of and at timely intervals during construction. Include requirements in contract documents and monitor construction activities to ensure compliance.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
HSP will include provisions for: • Conducting preliminary site investigations and analysis of potential job hazards; • Personnel protective equipment; • Safe work practices; • Site control; • Exposure monitoring; • Decontamination procedures; and • Emergency response actions. The HSP will specify mitigation of potential worker and public exposure to airborne contaminant migration by incorporating dust suppression techniques in construction procedures. The plan will also specify mitigation of worker and environmental exposure to contaminant migration via surface water runoff pathways by implementation of comprehensive measures to control drainage from excavations and saturated materials excavated during construction.				
HMC 9 – Review existing asbestos surveys, abatement reports, and supplemental asbestos surveys, as warranted. Perform an asbestos survey for buildings to be demolished, as required. Asbestos-containing building materials (ACM) will require abatement prior to building demolition. Removal and disposal of ACM will be performed in accordance with applicable local, state, and federal regulations.	TJPA	During preliminary engineering, final design and construction phases	TJPA	Determine extent of ACM throughout project site. Perform abatement work. prior to demolition. Include all regulatory requirements in contract documents and inspect construction to ensure compliance. Where applicable, coordinate with CCSF departments with jurisdiction over activities, such as DPH. Obtain all applicable permits.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
HMC 10 – Perform a lead-based paint survey for buildings to be demolished to determine areas where lead-based paint is present and the possible need for abatement prior to demolition.	TJPA	During preliminary engineering prior to building demolitions	TJPA	Determine extent of lead contamination throughout project site. Perform abatement work prior to demolition if necessary. Include all regulatory requirements in contract documents and inspect construction to insure compliance. Where applicable, coordinate with CCSF departments with jurisdiction over activities, such as DPH. Obtain all applicable permits.
Pedestrians				
Ped 1 – Use future construction or redevelopment as opportunities to increase building set-backs thereby increasing sidewalk widths. Particular areas where such widening is most needed include: • The southeast corner of Fremont and Mission streets, • The northeast corner of First and Mission streets, • The north side of Mission Street between First and Fremont, and • Sidewalks south of Howard Street along Folsom, First, Fremont and Beale that are less than 10 feet wide.	Agency and CCSF	During future project reviews in Transbay Terminal area	Agency and CCSF	TJPA will forward guidance to Agency, CCSF Planning Department and DPW.
Ped 2 – Eliminate or reduce sidewalk street furniture such as newspaper boxes and magazine racks in the immediate Transbay Terminal area on corners.	Agency and CCSF	Prior to opening of new Transbay Terminal	Agency and CCSF	TJPA will forward guidance to Agency, CCSF Planning Department and DPW.
Ped 3 – Retime traffic light signalization. This could improve pedestrian levels of service at each of the intersections studies that fall into LOS F.	CCSF	Prior to opening of new Transbay Terminal	CCSF	TJPA will forward guidance to CCSF DPT.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
Ped 4 – Provide crosswalk signalization at intersections where they do not exist already, such as Folsom and Beale streets.	CCSF	Prior to opening of new Transbay Terminal	CCSF	TJPA will forward guidance to CCSF DPT.
Ped 5 – Provide cross-walk count-down signals at intersections and cross-walks immediately surrounding the new Transbay Terminal.	CCSF	Prior to opening of new Transbay Terminal	CCSF	TJPA will forward guidance to CCSF DPT.
Ped 6 – Ensure that Transbay Terminal design increases corner and sidewalk widths at the four intersections immediately surrounding the Transbay Terminal.	TJPA and CCSF, DPW	During Transbay Terminal design phase	TJPA	TJPA and CCSF DPW, where applicable, to include sidewalk width expansion during preliminary and final design of new Transbay Terminal
Ped 7 – Provide lights within crosswalks to warn when pedestrians are present in the crosswalk, such as at the cross-walk associated with the mid-block bus loading area.	TJPA	Prior to opening of new Transbay Terminal	TJPA	TJPA to work with CCSF DPT to install cross-walk warnings
Pre-Construction Activities				
PC 1 – Complete a pre-construction building structural survey to determine the integrity of existing buildings adjacent to and over the proposed Caltrain Downtown Extension. Use this survey to finalize detailed construction techniques along the alignment and as the baseline for monitoring construction impacts during and following construction.	TJPA	Prior to preliminary engineering, final design and construction	TJPA	TJPA to perform building surveys during preliminary engineering. TJPA to include measures to protect existing buildings in final design and construction documents. TJPA to review design submittals, contract documents and construction activities to ensure implementation

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
PC 2 – Contact and interview individual businesses along the Caltrain Downtown Extension alignment to gather information and develop an understanding of how these businesses carry out their work. This survey will identify business usage, delivery/shipping patterns, and critical times of the day or year for business activities. Use this information to assist in: (a) the identification of possible techniques during construction to maintain critical business activities, (b) analyze alternative access routes for customers and deliveries to businesses, (c) develop traffic control and detour plans, and (d) finalize construction practices. (TJPA)	TJPA	During preliminary engineering, final design and construction	TJPA	TJPA to perform business activity survey during preliminary engineering. TJPA to include measures to maintain business activities and access in final design and construction documents. TJPA to review design submittals, contract documents and construction activities to ensure implementation.
PC 3 – Complete detailed geotechnical investigation, including additional sampling (drilling and core samples) and analyses of subsurface soil/rock conditions. Use this information to design the excavation and its support system to be used in the retained cut, cut-and-cover, and tunnel portions of the Caltrain Downtown Extension.	TJPA	During preliminary engineering and final design	TJPA	TJPA to obtain necessary permits from CCSF prior to performing drilling. TJPA to perform detailed geotechnical investigation during preliminary engineering. TJPA to review design submittals, contract documents and construction activities to ensure proper utilization of information obtained during investigation.
PC 4 – Establish community construction information/outreach program to provide on-going dialogue between the TJPA and the affected community regarding construction impacts and possible mitigation/solutions. Include dedicated personnel for an outreach office in the construction area to deal with construction coordination.	TJPA	During construction	TJPA	TJPA to establish program during final design prior to construction.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
PC 5 – Establish site and field offices located along the Caltrain Downtown Extension alignment. Field office staff, in conjunction with other staff, will: • Provide the community and businesses with a physical location where information pertaining to construction can be exchanged, • Enable TJPA and JPB to better understand community/business needs during the construction period, • Allow TJPA and JPB to participate in local events in an effort to promote public awareness of the project, • Manage construction-related matters pertaining to the public, • Notify property owners, residences, and businesses of major construction activities (e.g., utility relocation/disruption and milestones, re-routing of delivery trucks), • Provide literature to the public and press, • Promote and provide presentations on the project via a Speakers Bureau, • Respond to phone inquires, • Coordinate business outreach programs, • Schedule promotional displays, and • Participate in community committees.	TJPA and JPB	During construction	TJPA	TJPA to establish program during final design and continue during construction.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
PC 6 – Implement an information phone line to provide community members and businesses the opportunity to express their views regarding construction. Review calls received and, as appropriate, forward the message to the necessary party for action (e.g., utility company, fire department, the Resident Engineer in charge of construction operations). Information available from the telephone line will include current project schedule, dates for upcoming community meetings, notice of construction impacts, individual problem solving, construction complaints and general information. Phone service would be provided in English, Cantonese, and Spanish and would be operated on a 24-hour basis.	TJPA	During construction		TJPA to establish informational "Hot Line" during final design and continue during construction.
PC 7 – Develop traffic management plans. Traffic management plans to maintain access to all businesses will be prepared for areas affected by surface or cut-and-cover construction. In addition, daily cleaning of work areas would be performed by contractors for the duration of the construction period. Provisions would be contained in construction contracts to require the maintenance of driveway access to businesses to the extent feasible.	TJPA	During preliminary engineering, final design and construction	TJPA	TJPA to forward traffic management plans to CCSF DPT for review and approval. Include all requirements in construction documents and inspect implementation during construction.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
General Construction Measures				
GC 1 – Disseminate information to community in a timely manner regarding anticipated construction activities.	TJPA	During construction	TJPA	TJPA to initiate program during final design and continue during construction.
GC 2 – Provide signage. Work with establishments affected by construction activities to develop appropriate signage for display that directs both pedestrian and vehicular traffic to businesses via alternate routes.	TJPA	Prior to and during construction	TJPA	TJPA to initiate signage program during final design and monitor contractors' installation during construction.
GC 3 – Install level deck. Install decking at the cut-and-cover sections to be flush with the existing street or sidewalk levels.	TJPA	During construction	TJPA	TJPA to design flush decking during preliminary and final design, include in construction documents and ensure installation during construction.
GC 4 – Provide for efficient sidewalk design and maintenance. Wherever feasible, maintain sidewalks at the existing width during construction. Where a sidewalk must be temporarily narrowed during construction (e.g., deck installation), restore it to its original width during the majority of construction period. (In some places, this may require placing the temporary sidewalk on the deck.) Each sidewalk design should be of good quality and approved by the Resident Engineer prior to construction. Handicapped access will be maintained during construction where feasible.	TJPA	During preliminary engineering and construction	TJPA	TJPA to work with CCSF DPW on design of sidewalk plans during preliminary and final design and ensure installation during construction.
GC 5 – Provide construction site fencing of good quality, capable of supporting the accidental application of the weight of an adult without collapse or major deformation. Where covered walkways or other solid surface fencing is installed, establish a program to allow for art work (e.g., by local students) on the surface(s).	TJPA	During design and construction	TJPA	TJPA to work with CCSF DPW, incorporate requirements in construction documents and inspect installation during construction

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
Air Emissions – Construction				
AC 1 – Assure that, as part of the contract provisions, the project contractor is required to implement the measures below at all project construction sites.	TJPA	During development of contract documents	TJPA	Include requirement in contract documents.
AC 2 – Water all active construction areas at least twice daily. Ordinance 175-91, passed by the San Francisco Board of Supervisors on May 6, 1991, requires that non-potable water be used for dust control activities; therefore, the project contractor would be required to obtain reclaimed water from the City's Clean Water Program or other appropriate sources.	TJPA	During construction	TJPA	Include requirements in contract documents and monitor construction activities to ensure compliance.
AC 3 – Cover all trucks hauling soil, sand, and other loose materials or require all trucks to maintain at least two feet of freeboard.	TJPA	During construction	TJPA	Include requirements in contract documents and monitor construction activities to ensure compliance.
AC 4 – Pave, apply water three times daily, or apply (non-toxic) soil stabilizers on all unpaved access roads, parking areas and staging areas at construction sites.	TJPA	During construction	TJPA	Include requirements in contract documents and monitor construction activities to ensure compliance.
AC 5 – Sweep daily (with water sweepers) all paved access roads, parking areas and staging areas at construction sites.	TJPA	During construction	TJPA	Include requirements in contract documents and monitor construction activities to ensure compliance.
AC 6 – Sweep streets daily (with water sweepers) if visible soil material is carried onto adjacent public streets.	TJPA	During construction	TJPA	Include requirements in contract documents and monitor construction activities to ensure compliance.
AC 7 – Install sandbags or other erosion control measures to prevent silt runoff to public roadways.	TJPA	During construction	TJPA	Include requirements in contract documents and monitor construction activities to ensure compliance.
AC 8 – Replant vegetation in disturbed areas as quickly as possible.	TJPA	During construction	TJPA	Include requirements in contract documents and monitor construction activities to ensure compliance.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
AC 9 – Minimize use of on-site diesel construction equipment, particularly unnecessary idling.	TJPA	During construction	TJPA	Include requirements in contract documents and monitor construction activities to ensure compliance.
AC 10 – Shut off construction equipment to reduce idling when not in direct use.	TJPA	During construction	TJPA	Include requirements in contract documents and monitor construction activities to ensure compliance.
AC 11 – Where feasible, replace diesel equipment with electrically powered machinery.	TJPA	During construction	TJPA	Include requirements in contract documents and monitor construction activities to ensure compliance.
AC 12 – Locate diesel engines, motors, or equipment as far away as possible from existing residential areas.	TJPA	During construction	TJPA	Include requirements in contract documents and monitor construction activities to ensure compliance
AC 13 – Properly tune and maintain all diesel power equipment.	TJPA	During construction	TJPA	Include requirements in contract documents and monitor construction activities to ensure compliance.
AC 14 – Suspend grading operations during first and second stage smog alerts, and during high winds, i.e., greater than 25 miles per hour.	TJPA	During and following construction	TJPA	Include requirements in contract documents and monitor construction activities to ensure compliance.
AC 15 – Upon completion of the construction phase, buildings with visible signs of dirt and debris from the construction site shall be power washed and/or painted (given that permission is obtained from the property owner to gain access to and wash the property with no fee charged by the owner).	TJPA	During construction	TJPA	Include requirements in contract documents and monitor construction activities to ensure compliance.
Visual/Aesthetics - Construction				
VA 1 – Assure that construction crews working at night direct any artificial lighting onto the work site in order to minimize "spill over" light or glare effects on adjacent areas.	TJPA	During construction	TJPA	Include requirements in contract documents and monitor construction activities to ensure compliance.

MITIGATION MEASURE	Responsibility for Implementation	Mitigation Schedule	Monitoring Responsibility	Monitoring Actions/Schedule
VA 2 – Assure that contractors make all efforts possible to minimize specific aesthetic and visual effects of construction identified by neighborhood businesses and residents.	TJPA	During construction	TJPA	Include requirements in contract documents and monitor construction activities to ensure compliance.

ATTACHMENT 10

Successor Agency Equal Opportunity Program

ATTACHMENT 10

Agency Equal Opportunity Program

Included in this Attachment 10:

A. Small Business Enterprise Agreement
B. Nondiscrimination in Contracts and Benefits
C. Minimum Compensation Policy
D. Healthcare Accountability Policy
E. Construction Workforce Agreement
F. First Source Hiring Agreement
G. Prevailing Wages

ATTACHMENT 10-A

Small Business Enterprise Agreement

The company or entity executing this Small Business Enterprise Agreement, by and through its duly authorized representative, hereby agrees to use good faith efforts to comply with all of the following:

I. **PURPOSE.** The purpose of entering into this Small Business Enterprise Program agreement ("**SBE Program**") is to establish a set of Small Business Enterprise ("SBE") participation goals and good faith efforts designed to ensure that monies are spent in a manner which provides SBEs with an opportunity to compete for and participate in contracts by or at the behest of the Successor Agency to the San Francisco Redevelopment Agency ("**Agency**") and/or the Agency-Assisted Contractor. A genuine effort will be made to give First Consideration to Project Area SBEs and San Francisco-based SBEs before looking outside of San Francisco.

II. **APPLICATION**. The SBE Program applies to all Contractors and their subcontractors seeking work on Agency-Assisted Projects on or after November 17, 2004 and any Amendment to a Pre-existing Contract.

III. **GOALS.** The Agency's SBE Participation Goals are:

CONSTRUCTION	**50%**
PROFESSIONAL SERVICES	**50%**
SUPPLIERS	**50%**

IV. **TRAINEE HIRING GOAL.** In addition to the goals set forth above in Section III, there is a trainee hiring goal for for all design professionals (architects, engineers, planners, and environmental consultants) on contracts or subcontracts over $100,000. The trainee hiring goal requires architects, engineers and other design professionals to hire qualified San Francisco residents as trainees consistent with the procedures described in Section XIII, below. The trainee hiring goal is based upon the total amount of the design professional's contract as follows:

Trainees	Design Professional Fees
0	$ 0 – $99,000
1	$ 100,000 – $249,999
2	$ 250,000 – $499,999
3	$ 500,000 – $999,999
4	$1,000,000 – $1,499,999
5	$1,500,000 – $1,999,999
6	$2,000,000 - $4,999,999
7	$5,000,000 - $7,999,999
8	$8,000,000 – or more

V. **TERM.** The obligations of the Agency-Assisted Contractor and/or Contractor(s) with respect to SBE Program shall remain in effect until completion of all work to be performed by the Agency-Assisted Contractor in connection with the original construction of the site and any tenant improvements on the site performed by or at the behest of the Agency-Assisted Contractor unless another term is specified in the Agency-Assisted Contract or Contract.

VI. **FIRST CONSIDERATION.** First consideration will be given by the Agency or Agency-Assisted Contractor in awarding contracts in the following order: (1) Project Area SBEs, (2) San Francisco-based SBEs (outside an Agency Project or Survey Area, but within San Francisco), and (3) Non-San Francisco-based SBEs. Non-San Francisco-based SBEs should be used to satisfy participation goals only if Project Area SBEs or San Francisco-based SBEs are not available, qualified, or if their bids or fees are significantly higher than those of non-San Francisco-based SBEs.

VII. **CERTIFICATION.** The Agency no longer certifies SBEs but instead relies on the information provided in other public entities' business certifications to establish eligibility for the Agency's program. Only businesses certified by the Agency as SBEs whose certification has not expired and economically disadvantaged businesses that meet the Agency's SBE

Certification Criteria will be counted toward meeting the participation goals. The SBE Certification Criteria are set forth in the Policy (as defined in Section VII below).

VIII. INCORPORATION. Each contract between the Agency, Agency-Assisted Contractor or Contractor on the one hand, and any subcontractor on the other hand, shall physically incorporate as an attachment or exhibit and make binding on the parties to that contract, a true and correct copy of this SBE Agreement.

IX. DEFINITIONS. Capitalized terms not otherwise specifically defined in this SBE Agreement have the meaning set forth in the Agency's SBE Policy adopted on November 16, 2004 and amended on July 21, 2009 ("**Policy**") or as defined in the Agency-Assisted Contract or Contract. In the event of a conflict in the meaning of a defined term, the SBE Policy shall govern over the Agency- Assisted Contract or Contract which in turn shall govern over this SBE Agreement.

Affiliates means an affiliation with another business concern is based on the power to control, whether exercised or not. Such factors as common ownership, common management and identity of interest (often found in members of the same family), among others, are indicators of affiliation. Power to control exists when a party or parties have 50 percent or more ownership. It may also exist with considerably less than 50 percent ownership by contractual arrangement or when one or more parties own a large share compared to other parties. Affiliated business concerns need not be in the same line of business. The calculation of a concern's size includes the employees or receipts of all affiliates.

Agency-Assisted Contract means, as applicable, the Development and Disposition Agreement ("**DDA**"), Land Disposition Agreement ("**LDA**"), Lease, Loan and Grant Agreements, personal services contracts and other similar contracts, and Operations Agreement that the Agency executed with for-profit or non-profit entities.

Agency-Assisted Contractor means any person(s), firm, partnership, corporation, or combination thereof, who is negotiating or has executed an Agency-Assisted Contract.

Amendment to a Pre-existing Contract means a material change to the terms of any contract, the term of which has not expired on or before the date that this Small Business Enterprise Policy ("SBE Policy") takes effect, but shall not include amendments to decrease the scope of work or decrease the amount to be paid under a contract.

Annual Receipts means "total income" (or in the case of a sole proprietorship, "gross income") plus "cost of goods sold" as these terms are defined and reported on Internal Revenue Service tax return forms. The term does not include net capital gains or losses; taxes collected for and remitted to a taxing authority if included in gross or total income, such as sales or other taxes collected from customers and excluding taxes levied on the concern or its employees; proceeds from transactions between a concern and its domestic or foreign affiliates; and amounts collected for another by a travel agent, real estate agent, advertising agent, conference management service provider, freight forwarder or customs broker. For size determination purposes, the only exclusions from receipts are those specifically provided for in this paragraph. All other items, such as subcontractor costs, reimbursements for purchases a contractor makes at a customer's request, and employee-based costs such as payroll taxes, may not be excluded from receipts. Receipts are averaged over a concern's latest three (3) completed fiscal years to determine its average annual receipts. If a concern has not been in business for three (3) years, the average weekly revenue for the number of weeks the concern has been in business is multiplied by 52 to determine its average annual receipts.

Arbitration Party means all persons and entities who attend the arbitration hearing pursuant to Section XII, as well as those persons and entities who are subject to a default award provided that all of the requirements in Section XII.L. have been met.

Commercially Useful Function means that the business is directly responsible for providing the materials, equipment, supplies or services in the City and County of San Francisco ("City") as required by the solicitation or request for quotes, bids or proposals. Businesses that engage in the business of providing brokerage, referral or temporary employment services shall not be deemed to perform a "commercially useful function" unless the brokerage, referral or temporary employment services are required and sought by the Agency.

Contract means any agreement between the Agency and a person(s), firm, partnership, corporation, or

combination thereof, to provide or procure labor, supplies or services to, for, or on behalf of the Agency.

Contractor means any person(s), firm, partnership, corporation, or combination thereof, who is negotiating or has executed a Contract.

Non-San Francisco-based Small Business Enterprise means a SBE that has fixed offices located outside the geographical boundaries of the City.

Office" or "Offices means a fixed and established place(s) where work is performed of a clerical, administrative, professional or production nature directly pertinent to the business being certified. A temporary location or movable property or one that was established to oversee a project such as a construction project office does not qualify as an "office" under this SBE Policy. Work space provided in exchange for services (in lieu of monetary rent) does not constitute an "office." The office is not required to be the headquarters for the business but it must be capable of providing all the services to operate the business for which SBE certification is sought. An arrangement for the right to use office space on an "as needed" basis where there is no office exclusively reserved for the business does not qualify as an office. The prospective SBE must submit a rental agreement for the office space, rent receipt or cancelled checks for rent payments. If the office space is owned by the prospective SBE, the business must submit property tax or a deed documenting ownership of the office.

Project Area Small Business Enterprise means a business that meets the above-definition of Small Business Enterprise and that: (a) has fixed offices located within the geographical boundaries of a Redevelopment Project or Survey Area where a commercially useful function is performed; (b) is listed in the Permits and License Tax Paid File with a Project Area or Survey Area business street address; (c) possesses a current Business Tax Registration Certificate at the time of the application for certification as a SBE; (d) has been located and doing business in a Project Area or Survey Area for at least six months preceding its application for certification as a SBE; and (e) has a Project Area or Survey Area office in which business is transacted that is appropriately equipped for the type of business for which the enterprise seeks certification as a SBE. Post office box numbers of residential addresses alone shall not suffice to establish a firms' location in a Project Area or Survey Area.

Project Area means an area of San Francisco that meets the requirements under Community Redevelopment Law, Health and Safety Code Section 33320.1. These areas currently include the Bayview Industrial Triangle, Bayview Hunters Point (Area B), Federal Office Building, Hunters Point Shipyard, Mission Bay (North), Mission Bay (South), Rincon Point/South Beach, South of Market, Transbay Terminal, Yerba Buena Center and Visitacion Valley.

San Francisco-based Small Business Enterprise means a SBE that: (a) has fixed offices located within the geographical boundaries of the City where a commercially useful function is performed; (b) is listed in the Permits and License Tax Paid File with a San Francisco business street address; (c) possesses a current Business Tax Registration Certificate at the time of the application for certification as a SBE; (d) has been located and doing business in the City for at least six months preceding its application for certification as a SBE; and (e) has a San Francisco office in which business is transacted that is appropriately equipped for the type of business for which the enterprise seeks certification as a SBE. Post office box numbers or residential addresses alone shall not suffice to establish a firm's status as local.

Small Business Enterprise (SBE) means an economically disadvantaged business that: is an independent and continuing business for profit; performs a commercially useful function; is owned and controlled by persons residing in the United States or its territories; has average gross annual receipts in the three years immediately preceding its application for certification as a SBE that do not exceed the following limits: (a) construction--$14,000,000; (b) professional or personal services--$2,000,000 and (c) suppliers--$7,000,000; and is (or is in the process of being) certified by the Agency as a SBE and meets the other certification criteria described in the SBE application.
In order to determine whether or not a firm meets the above economic size definitions, the Agency will use the firm's three most recent business tax returns (i.e., 1040 with Schedule C for Sole Proprietorships, 1065s with K-1s for Partnerships, and 1120 for Corporations). Once a business reaches the 3-year average size threshold for the applicable industry the business ceases to be economically disadvantaged, it is not an eligible SBE and it will not be counted towards meeting SBE contracting requirements (or goals).

Survey Area means an area of San Francisco that meets the requirements of the Community Redevelopment Law, Health and Safety Code Section 33310. These areas currently include the Bayview Hunters Point Redevelopment Survey Area C.

X. GOOD FAITH EFFORTS TO MEET SBE GOALS Compliance with the following steps will be the basis for determining if the Agency-Assisted Contractor and/or Consultant has made good faith efforts to meet the goals for SBEs:

A. **Outreach**. Not less than 30 days prior to the opening of bids or the selection of contractors, the Agency-Assisted Contractor or Contractor shall:

1. **Advertise**. Advertise for SBEs interested in competing for the contract, in general circulation media, trade association publications, including timely use of the ***Bid and Contract Opportunities*** newsletter published by the City and County of San Francisco Purchasing Department and media focused specifically on SBE businesses such as the ***Small Business Exchange***, of the opportunity to submit bids or proposals and to attend a pre-bid meeting to learn about contracting opportunities.

2. **Request List of SBEs**. Request from the Agency's Contract Compliance Department a list of all known SBEs in the pertinent field(s), particularly those in the Project and Survey Areas and provide written notice to all of them of the opportunity to bid for contracts and to attend a pre-bid or pre-solicitation meeting to learn about contracting opportunities.

B. **Pre-Solicitation Meeting**. For construction contracts estimated to cost $5,000 or more, hold a pre-bid meeting for all interested contractors not less than 15 days prior to the opening of bids or the selection of contractors for the purpose answering questions about the selection process and the specifications and requirements. Representatives of the Contract Compliance Department will also participate.

C. **Follow-up**. Follow up initial solicitations of interest by contacting the SBEs to determine with certainty whether the enterprises are interested in performing specific items involved in work.

D. **Subdivide Work.** Divide, to the greatest extent feasible, the contract work into small units to facilitate SBE participation, including, where feasible, offering items of the contract work which the Contractor would normally perform itself.

E. **Provide Timely and Complete Information**. The Agency-Assisted Contractor or Contractor shall provide SBEs with complete, adequate and ongoing information about the plans, specifications and requirements of construction work, service work and material supply work. This paragraph does not require the Agency-Assisted Contractor or Contractor to give SBEs any information not provided to other contractors. This paragraph does require the Agency Assisted Contractor and Contractor to answer carefully and completely all reasonable questions asked by SBEs and to undertake every good faith effort to ensure that SBEs understand the nature and the scope of the work.

F. **Good Faith Negotiations.** Negotiate with SBEs in good faith and demonstrate that SBEs were not rejected as unqualified without sound reasons based on a thorough investigation of their capacities.

G. **Bid Shopping Prohibited.** Prohibit the shopping of the bids. Where the Agency-Assisted Contractor or Contractor learns that bid shopping has occurred, it shall treat such bid shopping as a material breach of contract.

H. **Other Assistance.** Assist SBEs in their efforts to obtain bonds, lines of credit and insurance. (Note that the Agency has a Surety Bond Program that may assist SBEs in obtaining necessary bonding.) The Agency-Assisted Contractor or Contractor(s) shall require no more stringent bond or insurance standards of SBEs than required of other business enterprises.

I. **Delivery Scheduling.** Establish delivery schedules which encourage participation of SBEs.

J. **Utilize SBEs as Lower Tier Subcontractors**. The Agency-Assisted Contractor and its Contractor(s) shall encourage and assist higher tier subcontractors in undertaking good faith efforts to utilize SBEs as lower tier subcontractors.

K. **Maximize Outreach Resources.** Use the services of SBE associations, federal, state and local SBE assistance offices and other organizations that provide assistance in the recruitment and placement of SBEs, including the Small Business

Administration and the Business Development Agency of the Department of Commerce. However, only SBEs certified by the Agency shall count towards meeting the participation goal.

L. **Replacement of SBE.** If during the term of this SBE Agreement, it becomes necessary to replace any subcontractor or supplier, the Agency's Contract Compliance Specialist should be notified prior to replacement due to the failure or inability of the subcontractor or supplier to perform the required services or timely delivery the required supplies, then First Consideration should be given to a certified SBE, if available, as a replacement.

XI. ADDITIONAL PROVISIONS

A. **No Retaliation.** No employee shall be discharged or in any other manner discriminated against by the Agency-Assisted Contractor or Contractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or relating to enforcement of this Agreement.

B. **No Discrimination.** There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status) in the performance of an Agency-Assisted Contract or Contract. The Agency-Assisted Contractor or Contractor will ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status) or other protected class status. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; selection for training, including apprenticeship; and provision of any services or accommodations.

C. **Compliance with Prompt Payment Statute.** Construction contracts and subcontracts awarded for $5,000 or more shall contain the following provision:

> "Amounts for work performed by a subcontractor shall be paid within ten (10) days of receipt of funds by the contractor, pursuant to California Business and Professions Code Section 7108.5 *et seq.* Failure to include this provision in a subcontractor or failure to comply with this provision shall constitute an event of default which would permit the Agency to exercise any and all remedies available to it under contract, at law or in equity."

In addition to and not in contradiction to the Prompt Payment Statute (California Business and Professions Code Section 7108.5 *et seq.*), if a dispute arises which would allow a Contractor to withhold payment to a subcontractor due to a dispute, the Contractor shall only withhold that amount which directly relates to the dispute and shall promptly pay the remaining undisputed amount, if any.

D. **Submission Of Electronic Certified Payrolls**. For any Agency-Assisted Contract which requires the submission of certified payroll reports, the requirements of Section VII of the Agency's Small Business Enterprise Policy shall apply. Please see the Small Business Enterprise Policy for more details.

XII. PROCEDURES FOR SMALL BUSINESS ENTERPRISES

A. **Notice to Agency**. The Agency-Assisted Contractor or Contractor(s) shall provide the Agency with the following information within 10 days of awarding a contract or selecting subconsultant:

1. the nature of the contract, e.g. type and scope of work to be performed;
2. the dollar amount of the contract;
3. the name, address, license number, gender and ethnicity of the person to whom the contract was awarded; And
4. SBE status of each subcontractor or subconsultant.

B. **Affidavit**. If the Agency-Assisted Contractor or Contractor(s) contend that the contract has been awarded to a SBE, the Agency-Assisted Contractor or Contractor(s) shall, at the same time also submit to the Agency a SBE Application for

Certification and its accompanying Affidavit completed by the SBE owner. However, a SBE that was previously certified by the Agency shall submit only the short SBE Eligibility Statement.

C. **Good Faith Documentation**. If the 50% SBE Participation Goals are not met in each category (Construction, Professional Services and Suppliers), the Agency-Assisted Contractor or Contractor(s) shall meet and confer with the Agency at a date and time set by the Agency. If the issue of the Agency-Assisted Contractor's or Contractor's good faith efforts is not resolved at this meeting, the Agency-Assisted Contractor or Contractor shall submit to the Agency within five (5) days, a declaration under penalty of perjury containing the following documentation with respect to the good faith efforts ("**Submission**"):

1. A report showing the responses, rejections, proposals and bids (including the amount of the bid) received from SBEs, including the date each response, proposal or bid was received. This report shall indicate the action taken by the Agency-Assisted Contractor or Contractor(s) in response to each proposal or bid received from SBEs, including the reasons(s) for any rejections.

2. A report showing the date that the bid was received, the amount bid by and the amount to be paid (if different) to the non-SBE contractor that was selected. If the non-SBE contractor who was selected submitted more than one bid, the amount of each bid and the date that each bid was received shall be shown in the report. If the bidder asserts that there were reasons other than the respective amounts bid for not awarding the contract to an SBE, the report shall also contain an explanation of these reasons.

3. Documentation of advertising for and contacts with SBEs, contractor associations or development centers, or any other agency which disseminates bid and contract information to small business enterprises.

4. Copies of initial and follow-up correspondence with SBEs, contractor associations and other agencies, which assist SBEs.

5. A description of the assistance provided SBE firms relative to obtaining and explaining plans, specifications and contract requirements.

6. A description of the assistance provided to SBEs with respect to bonding, lines of credit, etc.

7. A description of efforts to negotiate or a statement of the reasons for not negotiating with SBEs.

8. A description of any divisions of work undertaken to facilitate SBE participation.

9. Documentation of efforts undertaken to encourage subcontractors to obtain small business enterprise participation at a lower tier.

10. A report which shows for each private project and each public project (without a SBE program) undertaken by the bidder in the preceding 12 months, the total dollar amount of the contract and the percentage of the contract dollars awarded to SBEs and the percentage of contract dollars awarded to non-SBEs.

11. Documentation of any other efforts undertaken to encourage participation by small business enterprises.

D. **Presumption of Good Faith Efforts**. If the Agency-Assisted Contractor or Contractor(s) achieves the Participation Goals, it will not be required to submit Good Faith Effort documentation.

E. **Waiver**. Any of the SBE requirements may be waived if the Agency determines that a specific requirement is not relevant to the particular situation at issue, that SBEs were not available, or that SBEs were charging an unreasonable price.

F. **SBE Determination**. The Agency shall exercise its reasonable judgment in determining whether a business, whose name is submitted by the Agency-Assisted Contractor or Contractor(s) as a SBE, is owned and controlled by a SBE. A firm's appearance in any of the Agency's current directories will be considered by the Agency as prima facie evidence that the firm is a SBE. Where the Agency-Assisted Contractor or Contractor(s) makes a submission the Agency shall make a

determination, as to whether or not a business which the Agency-Assisted Contractor or Contractor(s) claims is a SBE is in fact owned and controlled by San Francisco-based SBEs. If the Agency determines that the business is not a SBE, the Agency shall give the Agency-Assisted Contractor or Contractor a Notice of Non-Qualification and provide the Agency-Assisted Contractor or Contractor with a reasonable period (not to exceed 20 days) in which to meet with the Agency and if necessary make a Submission, concerning its good faith efforts. If the Agency-Assisted Contractor or Contractor disagrees with the Agency's Notice of Non-Qualification, the Agency-Assisted Contractor or Contractor may request arbitration pursuant to Section XII.

G. **Agency Investigation**. Where the Agency-Assisted Contractor or Contractor makes a Submission and, as a result, the Agency has cause to believe that the Agency-Assisted Contractor or Contractor has failed to undertake good faith efforts, the Agency shall conduct an investigation, and after affording the Agency-Assisted Contractor or Contractor notice and an opportunity to be heard, shall recommend such remedies and sanctions as it deems necessary to correct any alleged violation(s). The Agency shall give the Agency-Assisted Contractor or Contractor a written Notice of Non-Compliance setting forth its findings and recommendations. If the Agency-Assisted Contractor or Contractor disagree with the findings and recommendations of the Agency as set forth in the Notice of Non-Compliance, the Agency-Assisted Contractor or Contractor may request arbitration pursuant to this SBE Agreement.

XIII. PROCEDURES FOR TRAINEE HIRES

A. **Compliance with the Trainee Hiring Goal.** Design professionals will be deemed in compliance with this Agreement by meeting or exceeding the trainee hiring goal described in Section IV above or by taking the following steps in good faith towards compliance.

B. **Execution and Incorporation of this Agreement to Sub-agreements.** The Agency-Assisted Contractor shall execute this Agreement and shall incorporate by reference or attach this Agreement to its contract(s) with the architects, engineers and other design professionals. Thus, each design professional (regardless of tier) will be obligated to comply with the terms of this Agreement. The Agency-Assisted Contractor and/or the design professionals shall retain the executed Agreements and make them available to the Agency Compliance Officer upon request.

C. **Contact Educational Institutions.** Each design professional shall call the City and County of San Francisco Office of Economic and Workforce Development (OEWD) or educational institution(s) and request referrals for the required trainee positions. The request will indicate generally: (1) the number of trainees sought; (2) the required skills set (keeping in mind that these are trainee positions); (3) a brief description of job duties; (4) the duration of the trainee period; and (5) any other information that would be helpful or necessary for the educational institution or OEWD to make the referral. The minimum duration of assignment is part-time for one semester. However, design professionals are strongly encouraged to offer longer trainee employment periods to allow a more meaningful learning experience. (For example, a half-time or full-time assignment over the summer.) Although the initial contact shall be made by phone, the educational institution(s) or OEWD may require the design professionals to send a confirming letter or complete its form(s). Each design professional is required to timely provide all of the information requested by the OEWD or educational institution(s) in order to get the referrals.

D. **Response from Educational Institutions.** Each educational institution may have a different way of referring applicants, such as: sending resumes directly to the design professional; having the applicant contact the design professional by phone; require design professionals to conduct on-campus interviews; or some other method. The timing and method of the response will normally be discussed with the design professional during the initial phone request. The design professional is required to follow the process set by the educational institution(s) in order to get the referrals.

E. **Action by Design Professionals When Referrals Available**. The design professional shall interview each applicant prior to making the decision to hire or not to hire. The design professional shall make the final determination whether the applicant is qualified for the trainee position and the ultimate hiring decision. The Agency strongly encourages the design professional to hire a qualified San Francisco resident referred by the educational institution(s). The design professional shall notify the educational institution in writing of the hiring decision.

F. **Action by Design Professionals When Referrals Unavailable**. If after contacting two or more educational institutions the design professional is informed that no San Francisco residents are currently available, then the design professional should wait thirty (30) days and contact the educational institutions a second time to inquire whether qualified San Francisco residents are currently available for hire as trainees. If no qualified San Francisco residents are currently available after the second request, then the design professional has fulfilled its obligation under this Agreement, provided that the design professional has acted in good faith. The design professional must retain its file on all of the steps it took to comply with this Section IV and submit a copy of its file to the Agency Compliance Officer upon request.

G. **Action by Design Professional When No Response From Educational Institutions**. If a design professional has not received a response to its request for referrals from any of the educational institutions within five (5) business days after the design professional has fully complied with the procedures, if any, set by the educational institution(s) for obtaining referrals, then the design professional should immediately advise the Agency Compliance Officer by phone, fax or email. The Agency Compliance Officer or his/her designee shall cause the educational institution(s) to respond to the design professional within five (5) business days of the Agency Compliance Officer being notified. If the design professional still has not received a response from the educational institution(s) after this additional five (5) business day period has run, then the design professional has fulfilled its obligation under this Section IV, provided that the design professional has acted in good faith. Each design professional must retain its file on all of the steps it took to comply with this Agreement and submit a copy of its file to the Agency Compliance Officer upon request.

H. **Termination of Trainee for Cause**. If at any time during the Term, it becomes necessary to terminate for cause a trainee who was hired under this Agreement and the design professional has not met the minimum duration requirements under this policy, then the design professional shall hire a new trainee by following the process set forth above

I. **Reporting Requirements For Trainee Hires**

1. **Reporting.** Upon completion of the Term of the Agreement or the term of the design professional's contract with the Agency-Assisted Contractor, whichever is less, the design professional (i.e. Employer) shall fax or email a report to the Agency Compliance Officer stating in detail: (1) the names of the San Francisco resident(s) interviewed for trainee positions; (2) the date(s) of each interview; (3) the reasons for not hiring the San Francisco resident(s) interviewed; (4) the name, address, gender and racial/ethnic background of the successful candidate for the trainee position; and (5) the number of San Francisco residents hired as trainees.

2. **Report on Terminations.** In the event a San Francisco resident hired pursuant to this Agreement is terminated for cause, the responsible design professional shall within five (5) days fax or email a termination report to the Agency Compliance Officer stating in detail: (1) the name of the trainee(s) terminated; (2) his/her job title and duties; (3) the reasons and circumstances leading to the termination(s); and (4) whether the design professional replaced the trainee(s).

XIV. ARBITRATION OF DISPUTES.

A. **Arbitration by AAA**. Any dispute regarding this SBE Agreement shall be determined by arbitration through the American Arbitration Association, San Francisco, California office ("AAA") in accordance with the Commercial Rules of the AAA then applicable, but subject to the further revisions thereof. The arbitration shall take place in the City and County of San Francisco.

B. **Demand for Arbitration**. Where the Agency-Assisted Contractor or Contractor disagrees with the Agency's Notice of Non-Qualification or Notice of Non-Compliance, **the Agency-Assisted Contractor or Contractor shall have seven (7) business days, in which to file a Demand for Arbitration,** unless otherwise stipulated by the parties. The Demand for Arbitration shall contain at a minimum: (1) a cover letter demanding arbitration under this provision and identifying any entities believed to be involved in the dispute; (2) a copy of the Notice of Non-Qualification or Notice of Non-Compliance; and (3) any written response to the Notice of Non-Qualification or Notice of Non-Compliance. If the Agency-Assisted Contractor and Contractor fails to file a timely Demand for Arbitration, the Agency-Assisted Contractor and Contractor shall be deemed to have accepted and to be bound by the finding of Non-Qualification or the findings and recommendations contained in the Notice of Non-Compliance.

C. **Parties' Participation**. The Agency and all persons or entities who have a contractual relationship affected by the dispute shall be made an Arbitration Party. Any such person or entity not made an Arbitration Party in the Demand for Arbitration may intervene as an Arbitration Party and in turn may name any other such person or entity as an Arbitration Party, provided however, that the Agency-Assisted Contractor or Contractor made an initial timely Demand for Arbitration pursuant to Section XII.B. above.

D. **Agency Request to AAA**. Within seven (7) business days after service of a Demand for Arbitration, the Agency shall transmit to AAA a copy of the Demand for Arbitration, the Notice of Non-Qualification or Notice of Non-Compliance, and any written response thereto from the affected party. Such material shall be made part of the arbitration record.

E. **Selection of Arbitrator**. One arbitrator shall arbitrate the dispute. The arbitrator shall be selected from the panel of arbitrators from AAA by the parties to the arbitration in accordance with the AAA rules. The parties shall act diligently in this regard. If the Arbitration Parties fail to agree on an arbitrator within seven (7) days from the receipt of the panel, AAA shall appoint the arbitrator. A condition to the selection of any arbitrator shall be that person's agreement to render a decision within ninety (90) days from the arbitrator's fulfillment of the disclosure requirements set forth in California Code of Civil Procedure Section 1281.9.

F. **Setting of Arbitration Hearing.** A hearing shall be held within ninety (90) days of the date of the filing of the Request, unless otherwise agreed by the parties. The arbitrator shall set the date, time and place for the arbitration hearing(s) within the prescribed time periods by giving notice by hand delivery or first class mail to each Arbitration Party.

G. **Discovery.** In arbitration proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure §1283.05.

H. **Burden of Proof**. The burden of proof with respect to SBE status and/or Good Faith Efforts shall be on the Agency-Assisted Contractor and/or Contractor. The burden of proof as to all other alleged breaches by the Agency-Assisted Contractor and/or Contractor shall be on the Agency.

I. **California Law Applies.** Except where expressly stated to the contrary in this SBE Agreement, California law, including the California Arbitration Act, Code of Civil Procedure §§ 1280 through 1294.2, shall govern all arbitration proceedings.

J. **Arbitration Remedies and Sanctions.** The arbitrator may impose only the remedies and sanctions set forth below:

1. Order specific, reasonable actions and procedures, in the form of a temporary restraining order, preliminary injunction or permanent injunction, to mitigate the effects of the non-compliance and/or to bring any non-compliant Arbitration Party into compliance.

2. Require any Arbitration Party to refrain from entering into new contracts related to work covered by the Agency-Assisted Contract or this SBE Agreement, or from granting extensions or other modifications to existing contracts related to services covered by the Agency-Assisted Contract or this SBE Agreement, other than those minor modifications or extensions necessary to enable compliance with this SBE Agreement.

3. Direct any Arbitration Party to cancel, terminate, suspend or cause to be cancelled, terminated or suspended, any contract or portion(s) thereof for failure of any party to the arbitration to comply with any of the SBE Program requirements in the Agency-Assisted Contract or this SBE Agreement. Contracts may be continued upon the condition that a program for future compliance is approved by the Agency.

4. If any Arbitration Party is found to be in willful breach of its obligations hereunder, the arbitrator may impose a monetary sanction not to exceed Fifty Thousand Dollars ($50,000.00) or ten percent (10%) of the base amount of the breaching party's contract, whichever is less, for each such willful breach; provided that, in determining the amount of any monetary sanction to be assessed, the arbitrator shall consider the financial capacity of the breaching party. No monetary sanction shall be imposed pursuant to this paragraph for the first willful breach of this SBE Agreement unless the breaching party has failed to cure after being provided notice and a reasonable opportunity to cure. Monetary sanctions may be imposed for subsequent willful breaches by any Arbitration Party whether or not the breach is subsequently cured. For purposes of this paragraph, "willful breach" means a knowing and intentional breach.

5. Direct any Arbitration Party to produce and provide to the Agency any records, data or reports which are necessary to determine if a violation has occurred and/or to monitor the performance of any Arbitration Party.

K. **Arbitrator's Decision.** The arbitrator shall make his or her award within twenty (20) days after the date that the hearing is completed; provided that where a temporary restraining order is sought, the arbitrator shall make his or her award not later than twenty-four (24) hours after the hearing on the motion. The arbitrator shall send the decision by certified or registered mail to each Arbitration Party.

L. **Default Award; No Requirement to Seek an Order Compelling Arbitration.** The arbitrator may enter a default award against any person or entity who fails to appear at the hearing, provided that: (1) said person or entity received actual notice of the hearing; and (2) the complaining party has a proof of service for the absent person or entity. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy pursuant to Code of Civil Procedure §1281.2.

M. **Arbitrator Lacks Power to Modify.** Except as otherwise provided, the arbitrator shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of the Agency-Assisted Contract, this SBE Agreement or any other agreement between the Agency, the Agency-Assisted Contractor or Contractor or to negotiate new agreements or provisions between the parties.

N. **Jurisdiction/Entry of Judgment.** The inquiry of the arbitrator shall be restricted to the particular controversy which gave rise to the Demand for Arbitration. A decision of the arbitrator issued hereunder shall be final and binding upon all Arbitration Parties. The non-prevailing Arbitration Party(ies) shall pay the arbitrator's fees and related costs of arbitration (or reimburse the Arbitration Parties that advanced such arbitration fees and costs). Each Arbitration Party shall pay its own attorneys' fees, provided, however, that attorneys' fees may be awarded to the prevailing party if the arbitrator finds that the arbitration action was instituted, litigated, or defended in bad faith. Judgment upon the arbitrator's decision may be entered in any court of competent jurisdiction.

O. **Exculpatory Clause.** Agency-Assisted Contractor or Contractor (regardless of tier) expressly waive any and all claims against the Agency for damages, direct or indirect, including, without limitation, claims relative to the commencement, continuance and completion of construction and/or providing professional and consulting services ("the Work"). Agency-Assisted Contractor or Contractor (regardless of tier) acknowledge and agree that the procedures set forth herein for dealing with alleged breaches or failure to comply with the obligations and requirements of this SBE Agreement are reasonable and have been anticipated by the parties in securing financing, in inviting, submitting and receiving bids and proposals for the planning, design and construction of the improvements and in determining the times for commencement and completion of the planning, design and construction and/or for providing consulting, professional or personal services.

P. **Severability**. The provisions of this SBE Agreement are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this SBE Agreement or the invalidity of the application thereof to any person or circumstance shall not affect the validity of the remainder of this SBE Agreement or the validity of their application to other persons or circumstances.

Q. **Arbitration Notice:** BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

Agency

Agency-Assisted Contractor

XV. AGREEMENT EXECUTION

Note: If you are seeking Agency certification as a SBE, you should fill out the "Application for SBE Certification". If you are already an Agency certified SBE, you should execute the "SBE Eligibility Statement".

I, hereby certify that I have authority to execute this SBE Agreement on behalf of the business, organization or entity listed below and that it will use good faith efforts to comply with the Agency's 50% SBE Participation Goals. I declare under penalty of perjury under the laws of the State of California that the above statement is true and correct.

Signature

5/18/2001
Date

William A. Witte
Print Your Name

Authorized Signatory
Title

Transbay 8 Urban Housing, LLC
Company Name and Phone Number

(415) 677-9000

ATTACHMENT 10B

Nondiscrimination in Contracts and Benefits
Instructions

A. What is the Nondiscrimination in Contracts Policy?

The Successor Agency to the San Francisco Redevelopment Agency's Nondiscrimination in Contracts Policy (Policy) requires companies or organizations providing products or services to, or leasing a real property from, the Successor Agency to agree not to discriminate against groups who are protected from discrimination under the Policy, and to include a similar provision in subcontracts and other agreements. Those provisions are the subjects of this form. The Policy is posted on the Web at: www.sfocii.org.

If you do not comply with the Policy, the Successor Agency cannot do business with you, except under certain very limited circumstances.

B. What Successor Agency contracts are covered by the Policy?

- Contracts or purchase orders where the Successor Agency purchases products, services or construction with contractors/vendors whose total amount of business with the Successor Agency exceeds a cumulative amount of $5,000 in a 12-month period.
- Leases of property owned by the Successor Agency for a term of 30 days or more. In these cases, the Successor Agency is the landlord. The Policy also applies to leases for a term of 30 days or more where the Successor Agency is the tenant.

C. What are the groups protected from discrimination under the Policy?

You may not discriminate against:

- your employees
- an applicant for employment
- any employee of the Successor Agency or the City and County of San Francisco
- a member of the public having contact with you.

D. What are prohibited types of discrimination?

You may not discriminate against the specified groups for the following reasons (see Question 1a on the declaration form).

- Race
- creed
- ancestry
- age
- sexual orientation
- marital status
- disability
- color
- religion
- national origin
- sex
- gender identity
- domestic partner status
- AIDS/HIV status

In the provision of benefits, you also may not discriminate between employees with spouses and employees with domestic partners, or between the spouses and domestic partners of employees, subject to the conditions listed in F.2 below.

E. How are subcontracts affected?

For any subcontract, sublease, or other subordinate agreement you enter into which is related to a contract you have with the Successor Agency, you must include a nondiscrimination provision (See Question 1b on the Declaration Form). The subcontracting provision need not include nondiscrimination in benefits as part of the nondiscrimination requirements. If you're unsure whether a contract qualifies as a subcontract, contact the Successor Agency division administering your contract with the Successor Agency. "Subcontract" also includes any subcontract of your subcontractor for performance of 10% or more of the subcontract.

F. Nondiscrimination in benefits for spouses and domestic partners

1. Who are domestic partners?

If your employee and another person are currently registered as domestic partners with a state, county or city that authorizes such registration, then those two people are domestic partners. It doesn't matter where the domestic partners now live or whether they are a same-sex couple or an opposite sex couple. A company/organization may also institute its own domestic partnership registry (contact the Successor Agency for more information).

2. What is nondiscrimination in benefits?

You must provide the same benefits to employees with spouses and employees with domestic partners, and to spouses and domestic partners of employees, subject to the following qualifications (See Question 2c on the Declaration Form).

- If your cost of providing a benefit for an employee with a domestic partner exceeds that of providing it for an employee with a spouse, or vice versa, you may require the employee to pay the excess cost.
- If you are unable to provide the same benefits, despite taking all reasonable measures to do so, you must provide the employee with a cash equivalent. This qualification is intended to address situations where your benefits provider will not provide equal benefits and you are unable to find an alternative source or state or federal law prohibit the provision of equal benefits. (See Question 2d on the Declaration form).
- The Policy does not require any benefits be offered to spouses or domestic partners. It does require, however, that whatever benefits are offered to spouses be offered equally to domestic partners, and vice versa.

3. Examples of benefits

The law is intended to apply to all benefits offered to employees with spouses and employees with domestic partners. A sample list appears in Question 2c on the Declaration Form.

G. Form required

Complete the Declaration Form to tell the Successor Agency whether you comply with the Policy. All parties to a Joint Venture must submit separate Declarations.

Please submit an original of the Declaration Form and keep a copy for your records. If an Successor Agency division should ask you to complete the form again, you may submit a copy of the form you originally submitted (if the information has not changed), unless you are advised otherwise.

H. Attachments

If you provide equal benefits, as indicated by your answers to Question 2c on the Declaration form, **YOU MUST ATTACH DOCUMENTATION TO THIS FORM,** unless such documentation does not exist. See item 3, "Documentation for Nondiscrimination in Benefits." If documentation does not exist, attach an explanation (e.g., some of your policies are unwritten).

I. If your answers change

If, after you submit the Declaration, your company/organization's nondiscrimination policy or benefits change such that the information you provided to the Successor Agency is no longer accurate, you must advise the Successor Agency promptly by submitting a new Declaration.

Nondiscrimination in Contracts and Benefits - Declaration Form

1. Nondiscrimination—Protected Classes

a. Is it your company/organization's policy that you will not discriminate against your employees, applicants for employment, employees of the Successor Agency to the San Francisco Redevelopment Agency (Successor Agency) or City and County of San Francisco (City), or members of the public for the following reasons:

• Race	☑ Yes	☐ No
• color	☑ Yes	☐ No
• Creed	☑ Yes	☐ No
• Religion	☑ Yes	☐ No
• ancestry	☑ Yes	☐ No
• national origin	☑ Yes	☐ No
• Age	☑ Yes	☐ No
• sex	☑ Yes	☐ No
• sexual orientation	☑ Yes	☐ No
• gender identity	☑ Yes	☐ No
• marital status	☑ Yes	☐ No
• domestic partner status	☑ Yes	☐ No
• Disability	☑ Yes	☐ No
• AIDS or HIV status	☑ Yes	☐ No

b. Do you agree to insert a similar nondiscrimination provision in any subcontract you enter into for the performance of a substantial portion of the contract that you have with the Successor Agency or the City?

☑ Yes ☐ No

If you answered "no" to any part of Question 1a or 1b, the Successor Agency or the City cannot do business with you.

2. Nondiscrimination—Equal Benefits (Question 2 does not apply to subcontracts or subcontractors)

a. Do you provide, or offer access to, any benefits to employees with spouses or to spouses of employees?

☑ Yes ☐ No

b. Do you provide, or offer access to, any benefits to employees with domestic partners (Partners) or to domestic partners of employees?

☑ Yes ☐ No

If you answered "no" to both Questions 2a and 2b, skip 2c and 2d, and sign, date and return this form. If you answered "yes" to Question 2a or 2b, continue to 2c.

c. If "yes," please indicate which ones. This list is not intended to be exhaustive. Please list any other benefits you provide (even if the employer does not pay for them).

Benefit	Yes, for Spouses	Yes, for Partners	No
• Medical (health, dental, vision)	☑	☑	☐
• Pension	☐	☐	☑
• Bereavement	☑	☑	☐
• Family leave	☑	☑	☐
• Parental leave	☐	☐	☑
• Employee assistance programs	☑	☑	☐
• Relocation and travel	☑	☑	☐
• Company discounts, facilities, events	☑	☑	☐

• Credit union	☐	☐	☑
• Child care	☐	☐	☑
• Other DEPENDENT CARE FSA	☑	☐	☐
• Other MEDICAL FSA TRANSIT/PARKING RTD	☑	☐	☐

If you answered "yes" to Question 2a or 2b, and in 2c indicated that you do not provide equal benefits, you may still comply with the Policy if you have taken all reasonable measures to end discrimination in benefits, have been unable to do so, and now provide employees with a cash equivalent.

(1)	Have you taken all reasonable measures?	☐ Yes	☐ No
(2)	Do you provide a cash equivalent?	☐ Yes	☐ No

3. Documentation for Nondiscrimination in Benefits (Questions 2c and 2d only)

If you answered "yes" to any part of Question 2c or Question 2d, you must attach to this form those provisions of insurance policies, personnel policies, or other documents you have which verify your compliance with Question 2c or Question 2d. Please include the policy sections that list the benefits for which you indicated "yes" in Question 2c. If documentation does not exist, attach an explanation, e.g., some of your personnel policies are unwritten. If you answered "yes" to Question 2d(1) complete and attach form SFRA/CC-103, "Nondiscrimination in Benefits—Reasonable Measures Affidavit," which is available from the Successor Agency. You need not document your "yes" answer to Question 1a or Question 1b.

I declare (or certify) under penalty of perjury that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this 20TH day of May, 2015, at New York (City), NY (State).

Name of Company/Organization: Related Partners, Inc.

Doing Business As (DBA):

Also Known As (AKA):

General Address: 60 Columbus Circle

(For General Correspondence) New York, NY 10023

Remittance Address:

(If different from above address)

Name of Signatory: JANE A. KAVAFIAN (Please Print) Title: VICE PRESIDENT

Signature: Jane A. Kavafian

Phone Number: 212-801-1171 Federal Tax ID Number: 13-3680053

Approximate number of employees in the U.S.: 3000 Vendor Number: (if known)

☐ Check here if your address has changed.

☐ Check here if your organization is a non-profit.

☐ Check here if your organization is a governmental entity.

THIS FORM MUST BE RETURNED WITH THE ORIGINAL SIGNATURE

Please return this form to: Successor Agency to the San Francisco Redevelopment Agency, One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103.

RELATED

SUMMARY OF BENEFITS

Benefit Plan	Employee Cost	Eligibility	Benefit Received	Additional Information
Medical Insurance *Empire Blue Cross Blue Shield* *3 Options are available:* *PPO (Network & Out-of-Network Benefits)* *EPO1 (In-Network Benefits ONLY)* *EPO2 (In-Network Benefits ONLY)* www.empireblue.com 800-342-9816 Rx Plan: Express Scripts: 866-297-0984 www.empireblue.com Group No. 720451	**Bi-Weekly:*** PPO / EPO1 / EPO2 Annual Salary Under $50,001 Single $125.46 / $ 79.56 / $ 57.12 Family $278.46 / $ 166.26 / $120.36 $50,001 - $100,000 Single- $157.08 / $ 96.90 / $ 70.38 Family $357.00 / $212.16 / $153.00 $100,001- $200,000 Single $168.30 / $108.12 / $ 78.54 Family $408.00 / $257.04 / $186.66 $200,001+ Single $184.62 / $115.26 / $ 89.76 Family $443.70 / $280.50 / $218.28 Employee contributions are deducted before federal, state (except New Jersey) and Social Security taxes are deducted. Contributions for Domestic Partners are deducted on a post-tax basis only.	30 Days from Date of Hire as a full-time employee. (30+ hours per week) No pre-existing condition exclusion period. Dependents are defined as Spouse**, Child, Step-Child, Domestic Partner** (opposite or same sex) **Proof of marriage or domestic partnership must be provided.	**EPO 1** **In-Network Benefits ONLY** $35 Co-Payment Dr.'s Visits $75 Emergency Room Visits $0 Deductible $0 Coinsurance *Prescriptions:* $0 Deductible $5 Generic/$30 Preferred Brand Names/$60 Non-preferred Brand Names at participating pharmacies **EPO 2** **In-Network Benefits ONLY** $35 Co-Payment Dr.'s Visits/$50 Specialists $225 Emergency Room Visits $2,500 Deductible--Individual $5,000 Deductible--Family 20% Coinsurance **Total Out of Pocket Maximum** $ 6,350--Individual $12,700--Family *Prescriptions:* $50 Annual Deductible $15 Generic/$35 Preferred Brand Names/$60 Non-preferred Brand Names at participating pharmacies **PPO** **In-Network Benefits:** $35 Co-Payment Dr.'s Visits $75 Emergency Room Visits *Prescriptions:* $0 Deductible $10 Generic/$30 Preferred Brand Names/$60 Non-preferred Brand Names at participating pharmacies **Out-of-Network Benefits:** $ 600 Deductible--Individual $1250 Deductible--Family 70% Reimbursement of Usual & Customary	**FOR ALL PLANS:** No referrals required. Unlimited Lifetime Maximum $0 Copays In Network for Adult Preventive Care Annual Physical Exam Well Child Care up to age 19 Well Women Care Plan includes Prescription by Mail benefits Children covered to end of the month of their 26th birthday. * Costs are based on current premiums charged by insurance carrier. **Annual Enrollment: April**
Dental Insurance Delta Dental PPO: 800-932-0783 DMO: 800-422-4234 www.deltadentalins.com Group No. 0313	**Bi-Weekly:*** PPO / DMO Individual $11.63 / $ 4.07 Family $32.52 / $10.94 Employee contributions are deducted before federal, state (except New Jersey) and Social Security taxes are deducted. Contributions for Domestic Partners are deducted on a post-tax basis only	30 Days from Date of Hire as a full-time employee. (30+ hours per week) Dependents are defined as Spouse**, Child, Step-Child, Domestic Partner** (opposite or same sex) **Proof of marriage or domestic partnership must be provided.	**In Network Benefits:** No Deductible or Co-Payment 100% coverage - Basic Services 60%.coverage - Major Services No maximum benefit limits. **Out-of-Network Benefits:** No Deductible for Preventive or Basic Services $50 Annual Deductible-Major Services $50 Lifetime Orthodontic Deductible 80% Reimbursement - Basic 50% Reimbursement - Major $2000 Annual Benefit Maximum $2000 Lifetime Orthodontic Maximum	Dual Choice of: DMO Plan (Network) PPO Plan (Out of Network) Children covered to end of the month of their 26th birthday. * Costs are based on current premiums charged by insurance carrier. **Annual Enrollment: April**
Vision Care Blue View Vision 800-342-9816 www.empireblue.com Group No. 721002	Single $ 2.20 bi-weekly* Employee +1 $ 4.17* Family $ 6.13* Employee contributions are deducted before federal, state (except New Jersey) and Social Security taxes are deducted. Contributions for Domestic Partners are deducted on a post-tax basis only	30 Days from Date of Hire as a full-time employee. (30+ hours per week) Dependents are defined as Spouse**, Child, Step-Child, Domestic Partner** (opposite or same sex) **Proof of marriage or domestic partnership must be provided. **IMPORTANT:** Enrollment requires a one year minimum participation period.	**In Network Benefits:** $10 Co-payment for annual eye exam $25 Co-payment for annual pair of single vision or standard multi-focal lenses plus frame.** or daily-wear contact lenses once every 12 months in lieu of lenses and frame.** **Out-of-Network Benefits:** $45.00 reimbursement for Ophthalmologist $45 - $210 reimbursement for Lenses, Frame, or Contact Lenses***	* Costs are based on current premiums charged by insurance carrier. ** Refer to Blue View Vision Benefits Summary for products covered and costs.. *** Refer to the summary for amounts reimbursed for out-of-network products. **Annual Enrollment: April**

Benefit Plan	Employee Cost	Eligibility	Benefit Received	Additional Information
Life Insurance **Accidental Death/Dismemberment** Reliance Standard Life Insurance	No cost to employee.	30 Days from Date of Hire as a full-time employee. (30+ hours per week)	Term life insurance equal to 1x annual salary to $150,000 maximum. Vice Presidents and above 2x annual salary to $250,000 maximum.	Insurance coverage is based on annual base salary rounded up to the next $1000 on the date of hire and annual base salary on each April 1 thereafter. Added Benefits: ID Theft Recovery Services, Travel Assistance, Bereavement Counseling.
Optional Life Insurance Reliance Standard Life Insurance	Cost is based on age and amount of insurance requested on date of hire and is revised each April 1.	30 Days from Date of Hire as a full-time employee. (30+ hours per week)	1, 2 or 3x annual base salary. (Additional to basic life insurance provided by Related.) Maximum: $1,000,000 (Guaranteed Issue: $500,000)*	*$500,000 optional requires no approval. Coverage above $500,000 requires approval by Reliance.
Short Term Disability Reliance Standard Life Insurance	No cost to employee.	After at least 4 consecutive weeks of employment as a full-time or part-time employee.	State of New York statutory benefits beginning on the 8th day of medical disability and continuing for a maximum of 26 weeks of approved disability for all NY employees.* CA & NJ employees refer to state disability rules.* All other employees will receive benefits in accordance with NY state rules.*	*Benefits are offset by any wage continuation.
Wage Continuation (During Medical Disability or Worker's Compensation Absence)	No cost to employee.	30 Days from Date of Hire as a full-time employee. (30+ hours per week)	2 weeks salary to a maximum of 13 weeks based on length of company service. (See Employee Handbook, Section II, S. for details)	Supplemented by Short Term Disability, if approved.
Long Term Disability Reliance Standard Life Insurance	No cost to employee.	30 Days from Date of Hire as a full-time employee. (30+ hours per week)	60% of base annual salary to a maximum monthly benefit of $5000.	Benefits begin after 90 days of disability. Benefits would be offset by any Short Term Disability, Worker's Compensation or Social Security Disability payments received.
Supplemental Long Term Disability Reliance Standard Life Insurance	$.23 x monthly salary divided by 100 = cost per month.	30 Days from Date of Hire as a full-time employee. (30+ hours per week)	60% of base annual salary up to $20,000 maximum (includes basic benefit) monthly benefit.	Benefits begin after 90 days of disability. Benefits would be offset by any Short Term Disability, Worker's Compensation or Social Security Disability payments received.
401(k) Retirement/Savings Plan Merrill Lynch www.benefits.ml.com Mobile: http://m.benefits.ml.com 877-767-2404 Plan #610124	Voluntary pre-tax payroll contributions from 1% to lesser of 60% of earnings or IRS annual limit ($ 18,000 for year 2015*). *Employees age 50 or older may contribute to a maximum of $24,000 for the calendar year 2015.	First enrollment date after hire. All new employees will be auto enrolled at 3%. Must be at least 18 years of age.	Pre-tax contributions may be made and invested in your choice of numerous funds. ***Discretionary*** match ***may*** be made by Related. As of 1/1/14, 50% of first 4% contributed to an annual maximum of $5000.	New enrollments take place quarterly to take effect on: January 1 July 1 April 1 October 1 Contribution changes accepted to take effect on the 1st of each month. Withdrawals are not permitted except for "immediate and heavy financial need." Loans are permitted.
Flexible Spending Account (FSA) (Medical and Dependent Care Accounts) AmeriFlex www.flex125.com 888-868-3539	Voluntary pre-tax payroll deductions: Medical: $2550 Annual max. Dependent Care: $5000 Annual max.	1st of the month after satisfying 30 day waiting period (30+ hours per week)	Non-taxed dollars may be drawn against your account during the plan year to pay for eligible medical and dependent care expenses not covered by insurance.	Plan year is 1/1 through 12/31. Effective 2014, for **Medical FSA only,** a $500 balance may be carried over to be used in the following year. Employees may participate in either or both accounts. $ in account are accessed by debit card or claim form for cash reimbursement. **Unused contributions will be forfeited.**
Transportation & Parking Plan AmeriFlex www.flex125.com 888-868-3539	Voluntary pre-tax payroll deduction of up to $130 per month for mass transit expenses and/or $250 per month for parking expenses, deducted each pay period.	1st of the month after satisfying 30 day waiting period (30+ hours per week)	Non-taxed dollars may be used to pay a portion of your commutation costs.	Monthly changes are permitted. $ in account are accessed by debit card or claim form for cash reimbursement.
Employee Assistance Program First Advantage www.fadv.com/eapsap 800-935-9551	No cost to employee	Date of hire.	Confidential counseling on a wide range of personal problems, such as: Family and relationship conflicts Mental and physical health issues Alcohol and drug abuse Work-related issues	Available to all employees and dependents. Hot Line staffed by clinically trained professionals 24 hours a day, 365 days a year. Free (up to 3 sessions per problem per year), Voluntary, Confidential
Equinox Fitness www.equinoxfitness.com	$26.44 Bi-Weekly payroll deduction—All Access* $22.12 Bi-Weekly payroll deduction—Regional* $40.10 Bi-Weekly payroll deduction—Century City*	30 Days from Date of Hire as a full-time employee. (30+ hours per week)	One year membership, renewable on anniversary. No initiation fee. Discounted membership. Related pays one half.	One year non-cancellable contract, with the exception of termination of employment. * All contracts may not be available in all areas.
Educational Assistance Program	No cost to employee.	Full-time employees after 6 months of satisfactory performance.	Tuition reimbursement* of up to $3000 per calendar year toward the successful completion of a degree program related to employee's current job duties or a foreseeable future position in the company. Transcript with grades must be submitted for reimbursement as follows: A or B = 100% C = 75% Below C = no reimbursement Pass/Fail grades = 75% for a Pass	*Must receive prior supervisor approval. Course of study must be job related. Courses must be from an accredited college or university. Must remain on active payroll to receive reimbursement. Resignation of employment within one year of last reimbursement requires 50% of the last payment to be repaid to Related. *Tuition only--Books, lab fees, etc. not covered.

Benefit Plan	Employee Cost	Eligibility	Benefit Received	Additional Information
PTO (Personal Time Off)	No cost to employee.	Full-time employees will accrue time monthly as follows. Part Time employees will accrue PTO commensurate with their work hours. Refer to the Policy for details.	Full Time Employees: Less than 1 year - Pro-rated Plan A: 1 - 3 years' service 1.50 = 18 days Annual Plan B: 4th year to 15th 1.92 = 23 days Annual Plan C: 15th year 2.33 = 28 days Annual Vice Presidents and above: Less than 1 year - Pro-rated Plan B: 1 – 10th year 1.92 = 23 days Annual Plan C: 10th year 2.33 = 28 days Annual Maximum Accrual: PTO stops accruing at 23 (Plan A), 28 (Plan B), and 33 (Plan C) days respectively. *5 days carryover is permitted each year, not to exceed the maximum accrual. *SVP's and above may not carryover PTO or be compensated for unused time at termination. *City, State and Local laws will supersede the policy.	*PTO is to be used for vacation, personal reasons, illness, care of a family member, doctor visits for oneself or family member, religious holidays. PTO may be taken before it is accrued. However, if an employee uses unearned PTO and leaves Related's employ, unearned PTO will be deducted from the final paycheck consistent with local, city and state laws. New employees may not take PTO during the first 3 months of employment, unless it is for an unavoidable illness. A doctor's note will be required in that event. *Please refer to the PTO Policy on The Source or Employee Handbook for specific details of the policy.

04/15

This summary is provided as a guideline. The official documents always are controlling over any statement made here or by any supervisor or manager.

ATTACHMENT 10C

Minimum Compensation Policy Declaration

What the Policy does. The Redevelopment Agency of the City and County of San Francisco adopted the Minimum Compensation Policy (MCP), which became effective on September 25, 2001; the Successor Agency to the Redevelopment Agency ("Agency") continues to enforce the MCP. The MCP requires contractors and subcontractors to provide the following to their employees covered by the MCP on Agency contracts and subcontracts for services: For Commercial Business MCP the wage rate is $13.02. For Nonprofit MCP the wage rate is $11.05; 12 days paid vacation per year (or cash equivalent); 10 days off without pay per year.

The Agency may require contractors to submit reports on the number of employees affected by the MCP.

Effect on Agency contracting. For contracts and amendments signed on or after September 25, 2001, the MCP will have the following effect:

- in each contract, the contractor will agree to abide by the MCP and to provide its employees the minimum benefits the MCP requires, and to require its subcontractors subject to the MCP to do the same.

- if a contractor does not provide the MCP minimum benefits, the Agency can award a contract to that contractor only if the contract is exempt under the MCP, or if the contract has received a waiver from the Agency.

What this form does. If you can assure the Agency now that, beginning with the first Agency contract or amendment you receive after September 25, 2001 and until further notice, you will provide the minimum benefit levels specified in the MCP to your covered employees, and will ensure that your subcontractors also subject to the MCP do the same, this will help the Agency's contracting process. The Agency realizes that it may not be possible to make this assurance now.

If you cannot make this assurance now, please do not return this form.

For more information, the complete text of the MCP is available from the Agency's Contract Compliance Department by calling (415) 749-2400.

Routing. Return this form to: Contract Compliance Department, Successor to the San Francisco Redevelopment Agency, 1 South Van Ness, Fifth Floor, San Francisco, CA 94103.

Declaration

Effective with the first Agency contract or amendment this company receives on or after September 25, 2001, this company will provide the minimum benefit levels specified in the MCP to our covered employees, and will ensure that our subcontractors also subject to the MCP do the same, until further notice. This company will give such notice as soon as possible.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Signature

5/18/2015
Date

WILLIAM A. WITTE
Print Name

TRANSBAY 8 URBAN HOUSING, LLC
Company Name

(415) 677-9000
Phone

ATTACHMENT 10D

Health Care Accountability Policy Declaration

What the Policy does. The San Francisco Redevelopment Agency adopted the San Francisco Health Care Accountability Policy (the "HCAP"), which became effective on September 25, 2001; the Successor Agency to the Redevelopment Agency ("Agency") continues to enforce the HCAP. The HCAP requires contractors and subcontractors that provide services to the Agency, contractors and subcontractors that enter into leases with the Agency, and parties providing services to tenants and sub-tenants on Agency property to choose between offering health plan benefits to their employees or making payments to the Agency or directly to their employees.

Specifically, contractors can either: (1) offer the employee minimum standard health plan benefits approved by the Agency Commission (2) pay the Agency $4.00 per hour for each hour the employee works on the covered contract or subcontract or on property covered by a lease (but not to exceed $160 in any week) and the Agency will appropriate the money for staffing and other resources to provide medical care for the uninsured, or (3) participate in a health benefits program developed by the Agency.

The Agency may require contractors to submit reports on the number of employees affected by the HCAP.

Effect on Agency contracting. For contracts and amendments signed on or after September 25, 2001, the HCAP will have the following effect:

- in each contract, the contractor will agree to abide by the HCAP and to provide its employees the minimum benefits the HCAP requires, and to require its subcontractors to do the same.
- if a contractor does not provide the HCAP's minimum benefits, the Agency can award a contract to that contractor **only if** the contract is exempt under the HCAP, or if the contract has received waiver; from the Agency.

What this form does. If you can assure the Agency now that, beginning with the first Agency's contract or amendment you receive after September 25, 2001 and until further notice, you will provide the minimum benefit levels specified in the HCAP to your covered employees, and will ensure that your subcontractors also subject to the HCAP do the same, this will help the Agency contracting process. The Agency realizes that it may not be possible to make this assurance now.

If you cannot make this assurance now, please do not return this form.

For more information, (1) see the complete text of the HCAP, available from the Agency's Contract Compliance Department at: (415) 749-2400.

Routing. Return this form to: Contact Compliance Department, Successor to the San Francisco Redevelopment Agency, 1 South Van Ness Avenue, Fifth Floor, San Francisco, CA 94103.

Declaration

Effective with the first Agency contract or amendment this company receives on or after September 25, 2001, this company will provide the minimum benefit levels specified in the HCAP to our covered employees, and will ensure that our subcontractors also subject to the HCAP do the same, until further notice. This company will give such notice as soon as possible.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Signature

5/18/15
Date

WILLIAM A. WITTE
Print Name

TRANSBAY 8 URBAN HOUSING, LLC
Company Name

(415) 677-9000
Phone

ATTACHMENT 10E

Construction Workforce Agreement

I. **PURPOSE.** This Agreement is entered into between the Office of Community Investment and Infrastructure as Successor Agency to the San Francisco Redevelopment Agency ("OCII" or "Agency"), and TRANSBAY 8 URBAN HOUSING LLC (hereinafter "Owner") for the purposes of ensuring participation of San Francisco residents and equal employment opportunities. . OCII may enter into an agreement with the Workforce Development Division of the San Francisco Office of Economic and Workforce Development ("OEWD") to implement and monitor compliance with the Construction Workforce Agreement (the "Agreement").

II. **DEFINITIONS.**

The following definitions apply to this Agreement.

A. "CityBuild" means the construction employment program of the Workforce Development Division of the San Francisco Office of Economic and Workforce Development (OEWD).

B. "Contract" means any agreement in excess of $10,000 between the Owner, its Contractors and a person to provide or procure labor, materials or services for the construction of the Owner Improvements, including a purchase order that requires installation of materials.

C. "Contractor" means the Owner's general contractor, all prime contractors and all subcontractors (regardless of tier) having a Contract or subcontract in excess of $10,000 and who employ persons in a Trade for construction of the Owner Improvements.

D. "Owner Improvements" means improvements constructed in the Transbay Area by the Owner.

E. "Project Area Resident" means a San Francisco Resident who resides in a redevelopment area under the management of OCII.

F. "San Francisco Resident" in the case of a new hire shall mean an individual who has lived in San Francisco for at least one week prior to submitting his/her initial application for employment to work on the Owner Improvements. In the case of a person employed by the Owner or its Contractor or Consultant prior to assignment to the Owner Improvements, this term shall mean a person who has lived in San Francisco for at least six months prior to the date he/she applied for a transfer to a position at the Owner Improvements or the date he/she was assigned to work on the Owner Improvements, whichever is earlier; or a person who establishes, to the satisfaction of the Agency, that he/she lived in San Francisco prior to applying for or being considered for a position with the Owner, Contractor or Consultant.

III. **WORK FORCE GOALS.**

The Owner agrees and will require each Contractor and all subcontractors to use good faith efforts to employ 50 percent of its construction workforce hires by trade and by hours from qualified San Francisco Residents with first consideration given to Project Area Residents. Owner and Contractors will be deemed in compliance with this Agreement and the Policy by meeting or exceeding the goal or by demonstrating good faith efforts toward compliance.

IV. GOOD FAITH EFFORTS.

A. Submission of Labor Force Projections and Other Data

The Contractor shall submit, to the extent available, labor force projections to the OCII Compliance Officer, or its agent, within two (2) weeks of contract award.

B. Submit Subcontractor Information Form

The Contractor shall submit to the Compliance Officer, or its agent, the Subcontractor Information Forms, twenty-four (24) hours prior to the preconstruction meeting. The Subcontractor Information Forms are available from the Compliance Officer upon request.

C. Preconstruction Meeting

The Contractor shall hold a preconstruction meeting which shall be attended by the Compliance Officer, CityBuild, all prime contractor(s) and all subcontractor(s). The preconstruction meeting shall be scheduled between two (2) days and thirty (30) days prior to the start of construction at a time and place convenient to all attendees. The purpose of the meeting is to discuss: the hiring goals, workforce composition, worker referral process, certified payroll reporting, procedure for termination and replacement of workers covered by this Agreement and to explore any anticipated problems in complying with the Agreement. All questions regarding how this Agreement applies to the Owner, Contractor, subcontractors and consultants should be answered at this meeting. Failure to hold or attend at least one (1) preconstruction meeting will be a breach of the Policy and this Agreement that may result in the Agency ordering a suspension of work until the breach has been cured. Suspension under this provision is not subject to arbitration.

D. Submit Construction Worker Request Form

For the Term of the Agreement, each time the Owner or Contractor seeks to hire workers for the construction or rehabilitation of improvements, they must first submit, by fax, email or hand delivery, an executed construction worker request form to CityBuild. Preferably this request will be submitted at least two (2) business days before the workers are needed. However, requests with less than two (2) business days notice will be accepted. The construction worker request form will indicate generally: the number of workers needed, duration needed, required skills or trade and date/time to report. The construction worker request form is available from the Compliance Officer upon request.

E. Response from CityBuild

CityBuild shall respond, in writing, via fax, email or hand delivery to each request for construction workers. The response shall state that CityBuild was able to satisfy the request in full, in part or was unable to satisfy the request. CityBuild shall look to their own referral lists, as well as confer with CBOs in an attempt to find qualified Project Area Residents and San Francisco Residents. If CityBuild is able to satisfy the request in full or in part, it shall direct the qualified Project Area Resident(s) or San Francisco Resident(s) to report to the Contractor on the date and time indicated in the request. If CityBuild is unable to satisfy the request, then CityBuild shall send a fax or email stating that no qualified Project Area Residents or San Francisco Residents are currently available.

F. Action by Contractor When Referrals Available

The Owner or Contractor whose request has been satisfied in full or in part shall make the

final determination of whether the Project Area Residents or San Francisco Residents are qualified for the positions and the ultimate hiring decision. The Agency strongly encourages the Contractor to hire the qualified Project Area Residents or San Francisco Residents referred by CityBuild. However, if the Contractor finds the Project Area Residents or San Francisco Residents are not qualified, then the Contractor shall send the Project Area Residents or San Francisco Residents back to CityBuild. Before the close of business on the same day, the Contractor shall fax or email a statement addressed td CityBuild stating in detail the reason(s) the Project Area Residents or San Francisco Residents were not qualified or the reason(s) for not hiring the Project Area Residents or San Francisco Residents. CityBuild shall, within one (1) business day of receipt of the fax or email, send new qualified Project Area Residents or San Francisco Residents that meet the legitimate qualifications set by the Contractor or alternatively, send a fax or email stating that no qualified Project Area Residents or San Francisco Residents are currently available.

G. Action by Contractor When Referrals Unavailable

If a Contractor receives a response from CityBuild stating that no qualified Project Area Residents or San Francisco Residents are currently available, then the Contractor may hire the number of construction workers requested from CityBuild, using its own recruiting methods, giving first consideration to Project Area Residents and then San Francisco Residents. Any additional new construction workforce hires (including the replacement of any terminated workers) must comply with this Policy, unless the Contractor has already met or exceeded the goal. The Contractor must keep a copy of the response it receives from CityBuild as proof of compliance and submit a copy of each response received to the Compliance Officer upon request.

H. Action by Contractor When No Response From CityBuild

If a Contractor has not received a response to its construction worker request from CityBuild within two (2) business days, then the Contractor should immediate advise the Compliance Officer by phone, fax or email. The Compliance Officer or his/her designee shall cause a response to be sent to the Contractor within two (2) business days of being notified. If the Contractor does not receive a response from CityBuild within four (4) business days (the original two (2) business days plus the additional two (2) business days), then the Contractor may hire the number of construction workers requested from CityBuild, using its own recruiting methods, giving first consideration to Project Area Residents and then San Francisco Residents. Any construction workforce hires (including the replacement of any terminated workers) must comply with this Policy, unless the Contractor has already met or exceeded the goal. The Contractor must keep a copy of the response it receives from CityBuild as proof of compliance and submit a copy of each response received to the Compliance Officer upon request. This Policy is intended to provide qualified Project Area and San Francisco Residents with employment opportunities without causing undue delay in hiring needed construction workers.

I. Action by Contractor When No Response From Union

The Contractor should immediately advise the Compliance Officer by phone, fax or email when the Contractor has sent a qualified Project Area Resident or San Francisco Resident to a union hall for referral in accordance with a collective bargaining agreement and the union did not refer the qualified Project Area or San Francisco Resident back for employment or when the union referral process impedes the Contractor's ability to meet its obligations under this Policy. Nothing in this Policy shall be interpreted to interfere with or prohibit existing labor agreements or collective bargaining agreements.

J. Hiring Apprentices

A Contractor may meet part of the Construction Workforce Goal by hiring apprentices. However, hiring an apprentice does not satisfy or waive the trainee hiring obligation, if any, for design professionals. Unless otherwise permitted by law, apprentices must be trained pursuant to training programs approved by the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training or the California Department of Industrial Relations, Division of Apprenticeship Standards. Credit towards compliance will only be given for paid apprentices actually working on the project. No credit is available for apprentices while receiving class room training. Under no circumstances shall the ratio of apprentices to journeymen in a particular trade or craft exceed 1:5.

K. Termination and Replacement of Referrals

If at any time it becomes necessary to terminate for cause a construction worker who was hired under this Policy, the Contractor shall notify CityBuild in writing via fax or email and submit a report of termination pursuant to Section (B)(4). If the Contractor intends to fill the vacant position, then the Contractor shall follow the process set forth in this Policy beginning at Section (A)(6).

V. REPORTING REQUIREMENTS.

A. Submission of Certified Payroll Reports

Each Contractor subject to this Policy shall submit to the Agency a certified payroll report for the preceding work week on each of its employees. The Owner is ultimately responsible for the submission of these reports by the Contractors. The certified payroll report is due to the Agency by noon each Wednesday. To facilitate compliance, the Agency uses an online Project Reporting System (PRS) for submission of certified payroll reports. This system is available at no cost to the Contractor. Training and educational materials for PRS are available at no cost online and through the Compliance Officer. Contractors are required to report certified payroll using PRS. However, a waiver may be granted to any Contractors who do not have a computer or online access.

B. Additional Information

In order to prevent unlawful discrimination in the selection, hiring and termination of employees on the basis of race, ethnicity, gender or any other basis prohibited by law and to identify and correct such unlawful practices, the Agency will monitor and collect information on the ethnicity and gender of each construction worker and apprentice. If an identifiable pattern of apparent discrimination is revealed by this additional information, it will be treated as a breach of this Policy and may be addressed as set forth in the arbitration provisions included in Agency contracts.

C. Report on Terminations

In the event a Project Area Resident or San Francisco Resident hired pursuant to this Policy is terminated for cause, the responsible Contractor shall within two (2) days fax or email a termination report to CityBuild with a copy to the Compliance Officer stating in detail: (1) the name of the worker(s) terminated; (2) his/her job title and duties; (3) the reasons and circumstances leading to the termination(s); (4) whether the Contractor replaced the construction worker(s); and (5) whether the replacement worker(s) were Project Area Resident(s) or San Francisco Resident(s).

D. Inspection of Records

The Owner and each Contractor shall make the records required under this Agreement available for inspection or copying by authorized representatives of the Agency and its

designated Compliance Officer, and shall permit such representatives to interview construction workers and apprentices during working hours on the job.

E. Failure to Submit Reports

If a Contractor fails or refuses to provide the reports as required it will be treated as a breach of this Agreement and the Policy, and may be addressed under arbitration provisions pursuant to Article VII (Arbitration of Disputes) of this Agreement.

F. Submission of Good Faith Effort Documentation

If the Owner's or Contractor's good faith efforts are at issue, the Contractor shall provide the Agency or its designated Compliance Officer with the documentation of its efforts to comply with this Policy and the Agreement. The Owner or Contractor must maintain a current file of the names, addresses and telephone numbers of each Project Area Resident or San Francisco Resident applicant referral (whether a self-referral or a referral from a union, CBO or CityBuild referral) and what action was taken with respect to each such individual.

G. Coding Certified Payrolls

Each Contractor shall include, on the weekly payroll submissions, the proper job classification (as approved by the California Department of Industrial Relations), apprentice's craft (if applicable), skill level, protected class status, and domicile of each construction worker.

VI. RECORDKEEPING REQUIREMENTS.

Contractor shall comply with the requirements of California Labor Code Section 1776, as amended, regarding the keeping, filing and furnishing of certified copies of payroll records of wages paid to its employees and to the employees of its subcontractors of all tiers.

In addition, each Contractor shall keep, or cause to be kept, for a period of four years from the date of substantial completion of Owner Improvements, certified payroll and basic records, including time cards, tax forms, and superintendent and foreman daily logs, for all workers within each trade performing work on the Owner Improvements. Such records shall include the name, address and social security number of each worker who worked on the covered project, his or her classification, a general description of the work each worker performed each day, the apprentice or journey-level status of each worker, daily and weekly number of hours worked, the self-identified race, gender, and ethnicity of each worker, whether or not the worker was a local resident or disadvantaged worker, and the referral source or method through which the Contractor hired or retained that worker for work on the Owner Improvements (e.g., core workforce, name call, union hiring hall, City-designated referral source, or recruitment or hiring method). Contractor may verify that a worker is a local resident through the worker's possession of a valid SF City ID Card or other government-issued identification. OCII may require additional records to be kept with regard to Contractor's compliance with this Agreement. All records described in this section shall at all times be open to inspection and examination by the duly authorized officers and agents of OCII, including representatives of the OEWD.

VII. ARBITRATION OF DISPUTES.

A. **Arbitration by AAA**. Any dispute regarding this Construction Work Force Agreement shall be determined by arbitration through the American Arbitration Association, San Francisco, California office ("AAA") in accordance with the Commercial Rules of the AAA then applicable, but subject to the further revisions thereof. The arbitration shall take place in the City and County of San Francisco.

B. **Demand for Arbitration**. Where the Owner disagrees with the Agency's Notice of Non-Qualification or Notice of Non-Compliance, **the Owner shall have seven (7) business days, in which to file a Demand for Arbitration,** unless otherwise stipulated by the parties. The Demand for Arbitration shall contain at a minimum: (1) a cover letter demanding arbitration under this provision and identifying entities believed to be involved in the dispute; (2) a copy of the Notice of Non-Qualification or Notice of Non-Compliance; and (3) any written response to the Notice of Non-Qualification or Notice of Non-Compliance. If the Owner fails to file a timely Demand for Arbitration, the Owner shall be deemed to have accepted and to be bound by the finding of Non-Qualification or the findings and recommendations contained in the Notice of Non-Compliance.

C. **Parties' Participation**. The Agency and all persons or entities that have a contractual relationship affected by the dispute shall be made an Arbitration Party. Any such person or entity not made an Arbitration Party in the Demand for Arbitration may intervene as an Arbitration Party and in turn may name any other such person or entity as an Arbitration Party, provided however, that the Owner made an initial timely Demand for Arbitration pursuant to Section VII.B. above.

D. **Agency Request to AAA**. Within seven (7) business days after service of a Demand for Arbitration, the Agency shall transmit to AAA a copy of the Demand for Arbitration, the Notice of Non-Qualification or Notice of Non-Compliance, and any written response thereto from the affected party. Such material shall be made part of the arbitration record.

E. **Selection of Arbitrator**. One arbitrator shall arbitrate the dispute. The arbitrator shall be selected from the panel of arbitrators from AAA by the parties to the arbitration in accordance with the AAA rules. The parties shall act diligently in this regard. If the Arbitration Parties fail to agree on an arbitrator within seven (7) days from the receipt of the panel, AAA shall appoint the arbitrator. A condition to the selection of any arbitrator shall be that person's agreement to render a decision within ninety (90) days from the arbitrator's fulfillment of the disclosure requirements set forth in California Code of Civil Procedure Section 1281.9.

F. **Setting of Arbitration Hearing.** A hearing shall be held within ninety (90) days of the date of the filing of the Request, unless otherwise agreed by the parties. The arbitrator shall set the date, time and place for the arbitration hearing(s) within the prescribed time periods by giving notice by hand delivery or first class mail to each Arbitration Party.

G. **Discovery.** In arbitration proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure §1283.05.

H. **Burden of Proof**. The burden of proof with respect to Construction Work Force compliance and/or Good Faith Efforts shall be on the Owner. The burden of proof as to all other alleged breaches by the Owner shall be on the Agency.

I. **California Law Applies.** Except where expressly stated to the contrary in this Construction Work Force Agreement, California law, including the California Arbitration Act, Code of Civil Procedure §§ 1280 through 1294.2, shall govern all arbitration proceedings.

J. **Arbitration Remedies and Sanctions.** The arbitrator may impose only the remedies and sanctions set forth below:

1. Order specific, reasonable actions and procedures, in the form of a temporary restraining order, preliminary injunction or permanent injunction, to mitigate the effects of the non-compliance and/or to bring any non-compliant Arbitration Party into compliance.

2. Require any Arbitration Party to refrain from entering into new contracts related to work covered by the Owner or this Construction Work Force Agreement, or from granting extensions or other modifications to existing contracts related to services covered by the Owner or this Construction Work Force Agreement, other than those minor modifications or extensions necessary to enable compliance with this Construction Work Force Agreement.

3. Direct any Arbitration Party to cancel, terminate, suspend or cause to be cancelled, terminated or suspended, any contract or portion(s) thereof for failure of any party to the arbitration to comply with any of the Agency's Work Force policy requirements. Contracts may be continued upon the condition that a program for future compliance is approved by the Agency.

4. If any Arbitration Party is found to be in willful breach of its obligations hereunder, the arbitrator may impose a monetary sanction not to exceed Fifty Thousand Dollars ($50,000.00) or ten percent (10%) of the base amount of the breaching party's contract, whichever is less, for each such willful breach; provided that, in determining the amount of any monetary sanction to be assessed, the arbitrator shall consider the financial capacity of the breaching party. No monetary sanction shall be imposed pursuant to this paragraph for the first willful breach of this Construction Work Force Agreement unless the breaching party has failed to cure after being provided notice and a reasonable opportunity to cure. Monetary sanctions may be imposed for subsequent willful breaches by any Arbitration Party whether or not the breach is subsequently cured. For purposes of this paragraph, "willful breach" means a knowing and intentional breach.

5. Direct any Arbitration Party to produce and provide to the Agency any records, data or reports which are necessary to determine if a violation has occurred and/or to monitor the performance of any Arbitration Party.

K. **Arbitrator's Decision.** The arbitrator shall make his or her award within twenty (20) days after the date that the hearing is completed; provided that where a temporary restraining order is sought, the arbitrator shall make his or her award not later than twenty-four (24) hours after the hearing on the motion. The arbitrator shall send the decision by certified or registered mail to each Arbitration Party.

L. **Default Award; No Requirement to Seek an Order Compelling Arbitration.** The arbitrator may enter a default award against any person or entity who fails to appear at the hearing, provided that: (1) said person or entity received actual notice of the hearing; and (2) the complaining party has a proof of service for the absent person or entity. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy pursuant to Code of Civil Procedure §1281.2.

M. **Arbitrator Lacks Power to Modify.** Except as otherwise provided, the arbitrator shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of this Construction Work Force Agreement or any other agreement between the Agency and Owner or to negotiate new agreements or provisions between the parties.

N. **Jurisdiction/Entry of Judgment.** The inquiry of the arbitrator shall be restricted to the particular controversy which gave rise to the Demand for Arbitration. A decision of the arbitrator issued hereunder shall be final and binding upon all Arbitration Parties. The non-prevailing Arbitration Party(ies) shall pay the arbitrator's fees and related costs of arbitration (or reimburse the Arbitration Parties that advanced such arbitration fees and costs). Each Arbitration Party shall pay its own attorneys' fees, provided, however, that attorneys' fees may be awarded to the prevailing party if the arbitrator finds that the arbitration action was instituted, litigated, or defended in bad faith. Judgment upon the arbitrator's decision may be entered in any court of competent jurisdiction.

O. **Exculpatory Clause.** Owner expressly waives any and all claims against the Agency for damages, direct or indirect, including, without limitation, claims relative to the commencement, continuance and completion of construction and/or providing professional and consulting services ("the Work"). Owner acknowledges and agrees that the procedures set forth herein for dealing with alleged breaches or failure to comply with the obligations and requirements of this Construction Work Force Agreement are reasonable and have been anticipated by the parties in securing financing, in inviting, submitting and receiving bids and proposals for the planning, design and construction of the improvements and in determining the times for commencement and completion of the planning, design and construction and/or for providing consulting, professional or personal services.

P. **Severability**. The provisions of this Construction Work Force Agreement are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this Construction Work Force Agreement or the invalidity of the application thereof to any person or circumstance shall not affect the validity of the remainder of this Construction Work Force Agreement or the validity of their application to other persons or circumstances.

Q. **Arbitration Notice:** BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

Agency

Owner

I, hereby certify that I have authority to execute this Construction Work Force Agreement on behalf of the Owner listed below and that Owner agrees to diligently exercise good faith efforts to comply with this

Agreement to meet or exceed the construction work force participation goals. I declare under penalty of perjury under the laws of the State of California that the above statement is true and correct.

[signature]	5/18/2015
Signature	Date
WILLIAM A. WITTE	AUTHORIZED SIGNATORY
Print Your Name	Title
TRANSBAY 8 URBAN HOUSING LLC	(415) 677-9000
Company Name	Phone Number

ATTACHMENT 10F

First Source Hiring Agreement

This First Source Hiring Agreement ("Agreement") is entered into as of April 21, 2015, by and between the Office of Community Investment and Infrastructure on behalf of the City and County of San Francisco (the "City") through its First Source Hiring Administration ("FSHA") and Transbay 8 Urban Housing LLC ("Developer" or "Project Sponsor").

WHEREAS, Developer proposes to construct the Project, described in the OP/DDA as including, among other things, a market-rate for-sale residential component consisting of approximately 124 residential units on floors thirty-two to fifty-five of an up to 550-foot residential tower, an "80/20" mixed-income component consisting of 280 market-rate rental units on floors eight to thirty-one and approximately 70 affordable rental units on floors one to seven in the residential tower, an affordable project with approximately 80 rental residential units in a podium building and townhouses along Clementina Street, streetscape improvements including the extension of Clementina Street on the northern edge of the Site and the 25-foot wide Folsom Street sidewalk; ground-floor retail space along Folsom Street of approximately 8,345 square feet and a possible grocery store on the basement level; a shared approximately 6,500-square-foot mid-block open space and paseo; and shared underground parking with approximately 204 stalls on the Site known as Transbay Block 8; and

WHEREAS, The Transbay Redevelopment Plan requires OCII to implement programs "that meet or exceed City policies regarding workforce development . . . particularly for economically-disadvantaged San Francisco residents." Redevelopment Plan, Section 4.1.3 at page 20; and

WHEREAS, The City has several workforce programs requiring commercial development to provide permanent job opportunities for economically-disadvantaged local residents, including the First Source Hiring Program, S.F. Administrative Code Ch. 83; and

WHEREAS, This Agreement is based on the standards of Chapter 83 of the San Francisco Administrative except that OCII, in determining compliance with these standards will assume the role of the Planning Department and delegate implementation to the Office of Economic and Workforce Development-City Build ("OEWD" or "CityBuild"); and

WHEREAS, The Developer will be required to enter into, with OEWD, a First Source Hiring Agreement for Business, Commercial, Operation and Lease Occupancy of the Building, based on the form of agreement attached to this Agreement and will attach First Source Exhibit B and B-1 to all leasing agreements and all tenant contracts required to occupy the building space and notify OEWD upon execution of such leasing agreements and occupancy contracts; and

WHEREAS, OEWD will inform tenants of their responsibilities to work with the workforce system for entry-level hiring opportunities through the submission of an Exhibit B-1 Employer Projection of Entry-Level Positions Form. The Developer will notify OEWD when a tenant's contract has been terminated within 10 days of such termination; and

WHEREAS, ; and

Therefore, the parties to this Agreement agree as follows:

A. Project Sponsor will comply with the requirements of Chapter 83 and upon entering into leases for the commercial space at the Project will include in that contract a provision requiring Lessee of the commercial space, if any, to comply with Chapter 83 of the

Administrative Code. Project Sponsor shall cause its Lessee(s), if applicable pursuant to Chapter 83, to enter into a First Source Hiring Agreement between Lessee and FSHA in a form similar to the City's Exhibit B attached hereto.

B. Any lessee(s) or operator(s) of commercial space within the Project shall have the same obligations under this Agreement as the Developer.

C. CityBuild shall represent the First Source Hiring Administration ("FSHA") and will provide referrals of qualified economically disadvantaged individuals for the permanent jobs located within the commercial space of the Project. Project Sponsor shall cooperate with CityBuild and follow its procedures and processes to ensure compliance with Chapter 83 of the Administrative Code. Project Sponsor shall also require its tenants, to cooperate with CityBuild.

D. FSHA shall advise Project Sponsor, in writing, of any alleged breach on the part of the Project's tenant(s) with regard to participation in the First Source Hiring Program at the Project prior to seeking an assessment of liquidated damages pursuant to Section 83.12 of the Administrative Code.

G. As stated in Section 83.10(d) of the Administrative Code, if Project Sponsor fulfills its obligations as set forth in Chapter 83, it shall not be held responsible for the failure of a commercial tenant to comply with the requirements of Chapter 83.

H. This Agreement is an approved "First Source Hiring Agreement" as referenced in Section 83.11 of the Administrative Code. The parties agree that this Agreement shall be recorded and that it may be executed in counterparts, each of which shall be considered an original and all of which taken together shall constitute one and the same instrument.

J. Except as set forth in Section E, above: (1) this Agreement shall be binding on and inure to the benefit of all successors and assigns of Project Sponsor having an interest in the Project and (2) Project Sponsor shall require that its obligations under this Agreement shall be assumed in writing by its successors and assigns. Upon Project Sponsor's sale, assignment or transfer of title to the Project, it shall be relieved of all further obligations or liabilities under this Agreement.

Signature:  Date: 5/18/2015

Name of Authorized Signer: WILLIAM A. WITTE Email: bwitte@related.com

Company: TRANSBAY 8 URBAN HOUSING, LLC Phone: (415) 677-9000

Address: 44 MONTGOMERY ST, SUITE 1050, SAN FRANCISCO CA 94104

Project Sponsor: TRANSBAY 8 URBAN HOUSING, LLC

Contact: CHAIM ELKOBY Phone: (415) 677-9000

Address: 44 MONTGOMERY ST, SUITE 1050 Email: chaim.elkoby@related.com
SAN FRANCISCO CA 94104

Exhibit B: First Source Hiring Agreement
For Business, Commercial, Operation and Lease Occupancy of the Building

This First Source Hiring Agreement (this "Agreement"), is made as of , by and between (the "Lessee"), and the First Source Hiring Administration, (the "FSHA"), collectively the "Parties":

RECITALS

WHEREAS, Lessee has plans to occupy the building at [Address] "Premises" which required a First Source Hiring Agreement between the project sponsor and FSHA under an Owner Participation/Disposition and Development Agreement between the Successor Agency to the Redevelopment Agency of the City and County of San Francisco and MA West LLC; and,

WHEREAS, the project sponsor was required to provide notice in leases, subleases and other occupancy contracts for use of the Premises ("Contract");and

WHEREAS, as a material part of the consideration given by Lessee under contract, Lessee has agreed to execute this Agreement and participate in the Workforce System managed by the Office of Economic and Workforce Development (OEWD) as established by the City and County of San Francisco pursuant to Chapter 83 of the San Francisco Administrative Code;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Parties covenant and agree as follows:

1. DEFINITIONS

For purposes of this Agreement, initially capitalized terms shall be defined as follows:

a. Entry Level Position: Any non-managerial position that requires no education above a high school diploma or certified equivalency, and less than two (2) years training or specific preparation, and shall include temporary, permanent, trainee and intern positions.

b. Workforce System: The First Source Hiring Administrator established by the City and County of San Francisco and managed by the Office of Economic and Workforce Development (OEWD).

c. Referral: A member of the Workforce System who has been identified by OEWD as having the appropriate training, background and skill sets for a Lessee specified Entry Level Position.

Lessee: Tenant, business operator and any other occupant of the building requiring a First Source Hiring Agreement. Lessee shall include every person tenant, subtenant, or any other entity occupying the building for the intent of doing business in the City and County of San Francisco and possessing a Business Registration Certificate with the Office of Treasurer.

2. OEWD WORKFORCE SYSTM PARTICIPATION

a. Lessee shall notify OEWD's Business Team of every available Entry Level Position and provide OEWD 10 business days to recruit and refer qualified candidates prior to advertising such position to the general public. Lessee shall provide feedback including but not limited to job seekers interviewed, including name, position title, starting salary and employment start

date of those individuals hired by the Lessee no later than 10 business days after date of interview or hire. Lessee will also provide feedback on reasons as to why referrals were not hired. Lessee shall have the sole discretion to interview any Referral by OEWD and will inform OEWD's Business Team why specific persons referred were not interviewed. Hiring decisions shall be entirely at the discretion of Lessee.

b. This Agreement shall be in full force and effect throughout the Lessee's occupancy of the building.

3. GOOD FAITH EFFORT TO COMPLY WITH ITS OBLIGATIONS HEREUNDER

Lessee will make good faith efforts to comply with its obligations under this Agreement. Determination of good faith efforts shall be based on all of the following:

a. Lessee will execute this Agreement and attachment *Exhibit B-1* upon entering into leases for the commercial space of the building. Lessee will also accurately complete and submit *Exhibit B-1* annually to reflect employment conditions.

b. Lessee agrees to register with OEWD's Referral Tracking System, upon execution of this Agreement.

c. Lessee shall notify OEWD's Business Services Team of all available Entry Level Positions 10 business days prior to posting with the general public. The Lessee must identify a single point of contact responsible for communicating Entry-Level Positions and take active steps to ensure continuous communication with OEWD's Business Services Team

d. Lessee accurately completes and submits Exhibit B-1, the "First Source Employer's Projection of Entry-Level Positions" form to OEWD's Business Services Team upon execution of this Agreement.

e. Lessee fills at least 50% of open Entry Level Positions with First Source referrals. Specific hiring decisions shall be the sole discretion of the Lessee.

f. Nothing in this Agreement shall be interpreted to prohibit the continuation of existing workforce training agreements or to interfere with consent decrees, collective bargaining agreements, or existing employment contracts. In the event of a conflict between this Agreement and an existing agreement, the terms of the existing agreement shall supersede this Agreement.

Lessee's failure to meet the criteria set forth in Section 3 (a.b.c.d.e.) does not impute "bad faith" and shall trigger a review of the referral process and compliance with this Agreement. Failure and noncompliance with this Agreement will result in penalties as defined in SF Administrative Code Chapter 83, Lessee agrees to review SF Administrative Code Chapter 83, and execution of the Agreement denotes that Lessee agrees to its terms and conditions.

4. NOTICE

All notices to be given under this Agreement shall be in writing and sent via mail or email as follows:

ATTN: Business Services, Office of Economic and Workforce Development
1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103
Email: Business.Services@sfgov.org

5. This Agreement contains the entire agreement between the parties and shall not be modified in any manner except by an instrument in writing executed by the parties or their respective successors. If any term or provision of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected. If Agreement is executed in one or more counterparts, each shall be deemed an original and all, taken together, shall constitute one and the same instrument. Agreement

shall inure to the benefit of and shall be binding upon the parties to this Agreement and their respective heirs, successors and assigns. If there is more than one person comprising Seller, their obligations shall be joint and several.
Section titles and captions contained in this Agreement are inserted as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any of its provisions. This Agreement shall be governed and construed by laws of the State of California.

IN WITNESS WHEREOF, the following have executed this Agreement as of the date set forth above.

Date: _____

Signature:: _____

Name of Authorized Signer: _____

Company: _____

Address: _____

Phone: _____

Email: _____

SAN FRANCISCO
Office of Economic and Workforce Development

CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT

EXHIBIT B-1 WORKFORCE PROJECTIONS
FOR BUSINESS, COMMERCIAL, OPERATION AND LEASE OCCUPANCY

Business Name: **Phone:**

Main Contact: **Email:**

_____ _____
Signature of authorized representative* **Date**

**By signing this form, the lessee agrees to participate in the Workforce System managed by the Office of Economic and Workforce Development (OEWD) and comply with the provisions of Exhibit B First Source Hiring Agreement pursuant to San Francisco Administrative Code Chapter 83.*

Instructions:

- Upon entering into leases for the commercial space of the building, the Lessee must submit to OEWD, a signed Exhibit B and Exhibit B-1. Lessee will also complete and submit an Exhibit B-1 annually to reflect employment conditions.
- The employer must notify the First Source Hiring Program (Contact Info below) if an **Entry Level Position** becomes available.

Section 1: Select your Industry

☐ Auto Repair	☐ Entertainment	☐ Personal Services
☐ Business Services	☐ Elder Care	☐ Professionals
☐ Consulting	☐ Financial Services	☐ Real Estate
☐ Construction	☐ Healthcare	☐ Retail
☐ Government Contract	☐ Insurance	☐ Security
☐ Education	☐ Manufacturing	☐ Wholesale
☐ Food and Drink	☐ I don't see my industry *(Please Describe)*_____	

Section 2: Describe Primary Business Activity

_____

Section 3: Provide Information on all Entry Level Positions

Entry-Level Position Title	Job Description	Number of New Hires	Projected Hiring Date

Please email, fax, or mail this form SIGNED to:
ATTN: Business Services
Office of Economic and Workforce Development
1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103
Tel: 415-701-4848
Fax: 415-701-4897
mailto:Business.Services@sfgov.org
Website: www.workforcedevelopmentsf.org

ATTACHMENT 10G

Prevailing Wage Provisions

1. **Applicability**. These Prevailing Wage Provisions (hereinafter referred to as "Labor Standards") apply to any and all construction of the Improvements as defined in the Owner Participation Agreement/Disposition and Development Agreement (OP/DDA) between the Developer and the Agency of which this Attachment 10 and these Labor Standards are a part.

2. **All Contracts and Subcontracts shall contain the Labor Standards. Confirmation by Construction Lender**.

   (a) All specifications relating to the construction of the Improvements shall contain these Labor Standards and the Developer shall have the responsibility to assure that all contracts and subcontracts, regardless of tier, incorporate by reference the specifications containing these Labor Standards. If for any reason said Labor Standards are not included, the Labor Standards shall nevertheless apply. The Developer shall supply the Agency with true copies of each contract relating to the construction of the Improvements showing the specifications that contain these Labor Standards promptly after due and complete execution thereof and before any work under such contract commences. Failure to do shall be a violation of these Labor Standards.

   (b) Before close of escrow under the OP/DDA and as a condition to close of escrow, the Developer shall also supply a written confirmation to the Agency from any construction lender for the Improvements that such construction lender is aware of these Labor Standards.

3. **Definitions**. The following definitions shall apply for purposes of this Prevailing Wage Provisions:

   (a) "Contractor" is the Developer if permitted by law to act as a contractor, the general contractor, and any contractor as well as any subcontractor of any tier subcontractor having a contract or subcontract that exceeds $10,000, and who employs Laborers, Mechanics, working foremen, and security guards to perform the construction on all or any part of the Improvements.

   (b) "Laborers" and "Mechanics" are all persons providing labor to perform the construction, including working foremen and security guards.

   (c) "Working foreman" is a person who, in addition to performing supervisory duties, performs the work of a Laborer or Mechanic during at least 20 percent of the workweek.

4. **Prevailing Wage**.

   (a) All Laborers and Mechanics employed in the construction of the Improvements will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by §11.5) the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at the time of payment computed at rates not less than those contained in the General Prevailing Wage Determination (hereinafter referred to as the "Wage

Determination") made by the Director of Industrial Relations pursuant to California Labor Code Part 7, Chapter 1, Article 2, sections 1770, 1773 and 1773.1, regardless of any contractual relationship which may be alleged to exist between the Contractor and such Laborers and Mechanics. A copy of the applicable Wage Determination is on file in the offices of the Agency with the Development Services Manager. At the time of escrow closing the Agency shall provide the Developer with a copy of the applicable Wage Determination.

All Laborers and Mechanics shall be paid the appropriate wage rate and fringe benefits for the classification of work actually performed, without regard to skill. Laborers or Mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein provided that the Contractor's payroll records accurately set forth the time spent in each classification in which work is performed.

(b) Whenever the wage rate prescribed in the Wage Determination for a class of Laborers or Mechanics includes a fringe benefit which is not expressed as an hourly rate, the Contractor shall either pay the benefit in the manner as stated therein i.e. the vacation plan, the health benefit program, the pension plan and the apprenticeship program, or shall pay an hourly cash equivalent thereof.

(c) If the Contractor does not make payments to a trustee or other third person, the Contractor may consider as part of the wages of any Laborer or Mechanic the amount of any costs reasonably anticipated in providing benefits under a plan or program of a type expressly listed in the Wage Determination, provided that the Executive Director of the Agency has found, upon the written request of the Contractor, made through the Developer that the intent of the Labor Standards has been met. Records of such costs shall be maintained in the manner set forth in subsection (a) of §11.8. The Executive Director of the Agency may require the Developer to set aside in a separate interest bearing account with a member of the Federal Deposit Insurance Corporation, assets for the meeting of obligations under the plan or program referred to above in subsection (b) of this §11.4. The interest shall be accumulated and shall be paid as determined by the Agency acting at its sole discretion.

(d) Regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

5. **Permissible Payroll Deductions**. The following payroll deductions are permissible deductions. Any others require the approval of the Agency's Executive Director.

(a) Any withholding made in compliance with the requirements of Federal, State or local income tax laws, and the Federal social security tax.

(b) Any repayment of sums previously advanced to the employee as a bona fide prepayment of wages when such prepayment is made without discount or interest. A "bona fide prepayment of wages" is considered to have been made only when cash or its equivalent has been advanced to the employee in such manner as to give him or her complete freedom of disposition of the advanced funds.

(c) Any garnishment, unless it is in favor of the Contractor (or any affiliated person or entity), or when collusion or collaboration exists.

(d) Any contribution on behalf of the employee, to funds established by the Contractor, representatives of employees or both, for the purpose of providing from principal, income or both, medical or hospital care, pensions or annuities on retirement, death benefits, compensation for injuries, illness, accidents, sickness or disability, or for insurance to provide any of the foregoing, or unemployment benefits, vacation pay, savings accounts or similar payments for the benefit of employees, their families and dependents provided, however, that the following standards are met:

1. The deduction is not otherwise prohibited by law; and

2. It is either:

   a. Voluntarily consented to by the employee in writing and in advance of the period in which the work is to be done and such consent is not a condition either for obtaining or for the continuation of employment, or

   b. Provided for in a bona fide collective bargaining agreement between the Contractor and representatives of its employees; and

3. No profit or other benefit is otherwise obtained, directly or indirectly, by the Contractor (or any affiliated person or entity) in the form of commission, dividend or otherwise; and

4. The deduction shall serve the convenience and interest of the employee.

(e) Any authorized purchase of United States Savings Bonds for the employee.

(f) Any voluntarily authorized repayment of loans from or the purchase of shares in credit unions organized and operated in accordance with Federal and State credit union statutes.

(g) Any contribution voluntarily authorized by the employee for the American Red Cross, United Way and similar charitable organizations.

(h) Any payment of regular union initiation fees and membership dues, but not including fines or special assessments, provided that a collective bargaining agreement between the Contractor and representatives of its employees provides for such payment and the deductions are not otherwise prohibited by law.

6. **Apprentices and Trainees**. Apprentices and trainees will be permitted to work at less than the Mechanic's rate for the work they perform when they are employed pursuant to and are individually registered in an apprenticeship or trainee program approved by the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training ("BAT") or with the California Department of Industrial Relations, Division of Apprenticeship Standards ("DAS") or if a person is employed in his or her first 90 days of probationary employment as an apprentice or trainee in such a program, who is not individually registered in the program, but who has been certified by BAT or DAS to be eligible for probationary employment. Any employee listed on a

payroll at an apprentice or trainee wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate for a Mechanic. Every apprentice or trainee must be paid at not less than the rate specified in the registered program for the employee's level of progress, expressed as a percentage of a Mechanic's hourly rate as specified in the Wage Determination. Apprentices or trainees shall be paid fringe benefits in accordance with the provisions of the respective program. If the program does not specify fringe benefits, employees must be paid the full amount of fringe benefits listed in the Wage Determination.

7. **Overtime**. No Contractor contracting for any part of the construction of the Improvements which may require or involve the employment of Laborers or Mechanics shall require or permit any such Laborer or Mechanic in any workweek in which he or she is employed on such construction to work in excess of eight hours in any calendar day or in excess of 40 hours in such workweek unless such Laborer or Mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of eight hours in any calendar day or in excess of 40 hours in such workweek, whichever is greater.

8. **Payrolls and Basic Records**.

(a) Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of its construction of the Improvements and preserved for a period of one year thereafter for all Laborers and Mechanics it employed in the construction of the Improvements. Such records shall contain the name, address and social security number of each employee, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for fringe benefits or cash equivalents thereof), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the wages of any Laborer or Mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program, the Contractor shall maintain records which show the costs anticipated or the actual costs incurred in providing such benefits and that the plan or program has been communicated in writing to the Laborers or Mechanics affected. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage prescribed in the applicable programs or the Wage Determination.

(b) 1. The Contractor shall submit to the Agency on each Wednesday at noon a copy of the payrolls for the week preceding the previous week in which any construction of the Improvements was performed. The payrolls submitted shall set out accurately and completely all of the information required by the Agency's Optional Form, an initial supply of which may be obtained from the Agency. The Contractor if a prime contractor or the Developer acting as the Contractor is responsible for the submission of copies of certified payrolls by all subcontractors; otherwise each Contractor shall timely submit such payrolls.

2. Each weekly payroll shall be accompanied by the Statement of Compliance that accompanies the Agency's Optional Form and properly executed by the Contractor or his or her agent, who pays or supervises the payment of the employees.

(c) The Contractor shall make the records required under this §11.8 available for inspection or copying by authorized representatives of the Agency, and shall permit

such representatives to interview employees during working hours on the job. On request the Executive Director of the Agency shall advise the Contractor of the identity of such authorized representatives.

9. **Occupational Safety and Health**. No Laborer or Mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his or her safety and health as determined under construction safety and health standards promulgated by Cal-OSHA or if Cal-OSHA is terminated, then by the federal OSHA.

10. **Equal Opportunity Program**. The utilization of apprentices, trainees, Laborers and Mechanics under this part shall be in conformity with the equal opportunity program set forth in this Attachment 10 of the OP/DDA including the Construction Work Force Agreement and the First Source Hiring Agreement. Any conflicts between the languages contained in these Labor Standards and Attachment 10 shall be resolved in favor of the language set forth in Attachment 10, except that in no event shall less than the prevailing wage be paid.

11. **Nondiscrimination Against Employees for Complaints**. No Laborer or Mechanic to whom the wage, salary or other Labor Standards of this Agreement are applicable shall be discharged or in any other manner discriminated against by the Contractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or relating to these Labor Standards.

12. **Posting of Notice to Employees**. A copy of the Wage Determination referred to in subsection (a) of §11.4 together with a copy of a "Notice to Employees," in the form appearing on the last page of these Labor Standards, shall be given to the Developer at the close of escrow. The Notice to Employees and the Wage Determination shall both be posted and maintained by the Contractor in a prominent place readily accessible to all applicants and employees performing construction of the Improvements before construction commences. If such Notice and Wage Determination is not so posted or maintained, the Agency may do so.

13. **Violation and Remedies**.

    (a) Liability to Employee for Unpaid Wages. The Contractor shall be liable to the employee for unpaid wages, overtime wages and benefits in violation of these Labor Standards.

    (b) Stop Work--Contract Terms, Records and Payrolls. If there is a violation of these Labor Standards by reason of the failure of any contract or subcontract for the construction of the Improvements to contain the Labor Standards as required by §11.2 ("Non-Conforming Contract"); or by reason of any failure to submit the payrolls or make records available as required by §11.8 ("Non-Complying Contractor"), the Executive Director of the Agency may, after written notice to the Developer with a copy to the Contractor involved and failure to cure the violation within five working days after the date of such notice, stop the construction work under the Non-Conforming Contract or of the Non-Complying Contractor until the Non-Conforming Contract or the Non-Complying Contractor comes into compliance.

(c) Stop Work and Other Violations. For any violation of these Labor Standards the Executive Director of the Agency may give written notice to the Developer, with a copy to the Contractor involved, which notice shall state the claimed violation and the amount of money, if any, involved in the violation. Within five working days from the date of said notice, the Developer shall advise the Agency in writing whether or not the violation is disputed by the Contractor and a statement of reasons in support of such dispute (the "Notice of Dispute"). In addition to the foregoing, the Developer, upon receipt of the notice of claimed violation from the Agency, shall with respect to any amount stated in the Agency notice withhold payment to the Contractor of the amount stated multiplied by 45 working days and shall with the Notice of Dispute, also advise the Agency that the moneys are being or will be withheld. If the Developer fails to timely give a Notice of Dispute to the Agency or to advise of the withhold, then the Executive Director of the Agency may stop the construction of the Improvements under the applicable contract or by the involved Contractor until such Notice of Dispute and written withhold advice has been received.

Upon receipt of the Notice of Dispute and withhold advice, any stop work which the Executive Director has ordered shall be lifted, but the Developer shall continue to withhold the moneys until the dispute has been resolved either by agreement, or failing agreement, by arbitration as is provided in §11.14.

(d) Withholding Certificates of Completion. The Agency may withhold any or all certificates of completion of the Improvements provided for in this Agreement, for any violations of these Labor Standards until such violation has been cured.

(e) General Remedies. In addition to all of the rights and remedies herein contained, but subject to arbitration, except as hereinafter provided, the Agency shall have all rights in law or equity to enforce these Labor Standards including, but not limited to, a prohibitory or mandatory injunction. Provided, however, the stop work remedy of the Agency provided above in subsection (b) and (c) is not subject to arbitration.

14. Arbitration of Disputes.

(a) Any dispute regarding these Labor Standards shall be determined by arbitration through the American Arbitration Association, San Francisco, California office ("AAA") in accordance with the Commercial Rules of the AAA then applicable, but subject to the further provisions thereof.

(b) The Agency and all persons or entities that have a contractual relationship affected by the dispute shall be made a party to the arbitration. Any such person or entity not made a party in the demand for arbitration may intervene as a party and in turn may name any such person or entity as a party.

(c) The arbitration shall take place in the City and County of San Francisco.

(d) Arbitration may be demanded by the Agency, the Developer or the Contractor.

(e) With the demand for arbitration, there must be enclosed a copy of these Labor Standards, and a copy of the demand must be mailed to the Agency and the Developer, or as appropriate to one or the other if the Developer or the Agency is

demanding arbitration. If the demand does not include the Labor Standards they are nevertheless deemed a part of the demand. With the demand if made by the Agency or within a reasonable time thereafter if not made by the Agency, the Agency shall transmit to the AAA a copy of the Wage Determination (referred to in §11.4) and copies of all notices sent or received by the Agency pursuant to §11.13. Such material shall be made part of the arbitration record.

(f) One arbitrator shall arbitrate the dispute. The arbitrator shall be selected from the panel of arbitrators of the AAA by the parties to the arbitration in accordance with the AAA rules. The parties shall act diligently in this regard. If the parties fail to select an arbitrator, within seven (7) days from the receipt of the panel, the AAA shall appoint the arbitrator. A condition to the selection of any arbitrator shall be that person's agreement to render a decision within 30 days from appointment.

(g) Any party to the arbitration whether the party participates in the arbitration or not shall be bound by the decision of the arbitrator whose decision shall be final and binding on all of the parties and any and all rights of appeal from the decision are waived except a claim that the arbitrator's decision violates an applicable statute or regulation. The decision of the arbitrator shall be rendered on or before 30 days from appointment. The arbitrator shall schedule hearings as necessary to meet this 30 day decision requirement and the parties to the arbitration, whether they appear or not, shall be bound by such scheduling.

(h) Any party to the arbitration may take any and all steps permitted by law to enforce the arbitrator's decision and if the arbitrator's decision requires the payment of money the Contractor shall make the required payments and the Developer shall pay the Contractor from money withheld.

(i) Costs and Expenses. Each party shall bear its own costs and expenses of the arbitration and the costs of the arbitration shall be shared equally among the parties.

15. **Non-liability of the Agency**. The Developer and each Contractor acknowledge and agree that the procedures hereinafter set forth for dealing with violations of these Labor Standards are reasonable and have been anticipated by the parties in securing financing, in inviting, submitting and receiving bids for the construction of the Improvements, in determining the time for commencement and completion of construction and in proceeding with construction work. Accordingly the Developer, and any Contractor, by proceeding with construction expressly waives and is deemed to have waived any and all claims against the Agency for damages, direct or indirect, arising out of these Labor Standards and their enforcement and including but not limited to claims relative to stop work orders, and the commencement, continuance or completion of construction.

SAN FRANCISCO REDEVELOPMENT AGENCY

NOTICE TO EMPLOYEES

EQUAL OPPORTUNITY NON-DISCRIMI-NATION	The contractor must take equal opportunity to provide employment opportunities to minority group persons and women and shall not discriminate on the basis of age, ancestry, color, creed, disability, gender, national origin, race, religion or sexual orientation.
PREVAILING WAGE	You shall not be paid less than the wage rate attached to this Notice for the kind of work you perform.
OVERTIME	You must be paid not less than one and one-half times your basic rate of pay for all hours worked over 8 a day or 40 a week, whichever is greater.
APPRENTICES	Apprentice rates apply only to employees registered under an apprenticeship or trainee program approved by the Bureau of Apprenticeship and Training or the California Division of Apprenticeship Standards.
PROPER PAY	If you do not receive proper pay, write Office of Community Investment and Infrastructure 1 South Van Ness Avenue, Floor 5 San Francisco, CA 94103 or call Contract Compliance Specialist **George Bridges** at **415-749-2546**

ATTACHMENT 11-A

Form of Grant Deed

ATTACHMENT 11-A

Form of Grant Deed for Parcel C"

Free Recording Requested Pursuant to Government Code Section 27383 at the Request of the Successor Agency to the Redevelopment Agency of the City and County of San Francisco

WHEN RECORDED, MAIL TO:

Related California Urban Housing, LLC
18201 Von Karman Ave, Suite 900
Irvine, CA 92612
Attention: William A. Witte, President

Assessor's Block 3737, Portions of Lot 005, 012, 027
Commonly known as Transbay Block 8

Space Above This Line Reserved for Recorder's Use

GRANT DEED

The SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, organized and existing under the laws of the State of California, herein called "Grantor," acting to carry out a redevelopment plan under the Community Redevelopment Law of California, hereby **GRANTS** to Transbay 8 Urban Housing LLC, a Delaware Limited Liability Company, herein called "Grantee," the following described real property situated in the City and County of San Francisco, State of California, hereinafter referred to as the "Property," which property is particularly described in Exhibit "A" attached hereto and made a part hereof. All capitalized terms used in this Grant Deed are either defined herein or are as defined in the Agreement, as defined below.

SUBJECT, however, to the Disposition and Development Agreement, between the Grantor and the Grantee, dated _____, 2015, which Agreement for Disposition is recorded concurrently with this Deed and, hereinafter referred to as the "**Agreement,**" and the following conditions, covenants and restrictions:

(1) Grantee covenants and agrees by and for itself, and its heirs, executors, administrators, transferees, successors, assigns, holders to or of the Property or any part thereof, and all persons claiming under or through them, that Grantee, and such successors, assigns, holders and all persons claiming under or through them shall:

(i) Not discriminate against or segregate any person or group of persons on account of race, color, creed, religion, ancestry, national origin, sex, marital status, or sexual orientation, age or disability in the sale, lease, rental, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or any improvements erected or to be erected thereon, or any part thereof, nor shall the Grantee 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 tenants, lessees, sublessees or vendees in the Property or any improvements erected or to be erected thereon, or any part thereof, and

(ii) Not discriminate against or segregate any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are

defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, or any part thereof, or not establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, vendees, or others of the Property, or any part thereof. The foregoing covenants shall run with the land.

(2) In the event Grantee does not commence construction of the Improvements by the date specified in the Schedule of Performance (Attachment 5 of the Agreement) (subject to the cure periods provided in Section 8.01(c) of the Agreement and as such date may be extended for any time attributable to Force Majeure as defined in Section 8.09 of the Agreement), the Grantor shall have an exclusive right to repurchase the Site from the Grantee pursuant to and on the terms and conditions of Section 8.03(b)(i) of the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this instrument in duplicate this _____ day of _____, 2015.

Authorized by Successor Agency Resolution No. ____-2015, adopted _____, 2015

GRANTOR:

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, organized and existing under the laws of the State of California

By:_____
Tiffany J. Bohee
Executive Director

GRANTEE:

Transbay 8 Urban Housing LLC,
a Delaware Limited Liability Company

By:_____

Its:

APPROVED AS TO FORM:

By:_____
James Morales
General Counsel

APPROVED AS TO FORM:
DENNIS J. HERRERA, CITY ATTORNEY

By:_____
Heidi J. Gewertz
Deputy City Attorney

NOTE: Legal Description under final review. Final/detailed legal description with various reserved rights to be finalized prior to Close of Escrow.

EXHIBIT A
Legal Description

LEGAL DESCRIPTION

All that parcel of land (State Parcel No. 12884) conveyed to the State of California by deed recorded October 11, 1954, in Volume 6465 at Page 474, and all those parcels of land described as "PARCEL ONE", "PARCEL TWO", and "PARCEL THREE" (State Parcel No. 12876) conveyed to the State of California by deed recorded February 10, 1954, in Volume 6317 at Page 202, together with a portion of that parcel of land described as "PARCEL FOUR" conveyed to the State of California by said deed (State Parcel No. 12876), and all of those parcels of land described as "PARCEL I" and "PARCEL II" (State Parcel No. 12882) conveyed to the State of California by deed recorded May 25, 1954, in Volume 6382 at Page 364, and all that parcel of land described as "Parcel II" (State Parcel No. 12879) conveyed to the State of California by deed recorded February 15, 1954, in Volume 6319 at Page 59, together with a portion of that parcel of land described as "PARCEL I" conveyed to the State of California by said deed (State Parcel No. 12879) and all that parcel of land (State Parcel No. 12881) conveyed to the State of California by deed recorded September 10, 1954, in Volume 6446 at Page 407, and a portion of that parcel of land (State Parcel No. 41794) conveyed to the State of California by deed recorded June 13, 1969, in Book B344 at Page 650, all of Official Records of the City and County of San Francisco, State of California and being described as a whole as follows:

BEGINNING at the point of intersection of the northwesterly line of Folsom Street (82.50 feet wide) with the northeasterly line of First Street (82.50 feet wide); thence along said line of First Street North 44°52'05" West 182.00 feet; thence North 45°07'55" East 65.43 feet; thence South 44°52'05" East 1.80 feet; thence North 45°07'55" East 209.57 feet to the southwesterly line of Fremont Street (82.50 feet wide); thence along said line of Fremont Street South 44°52'05" East 180.20 feet to said northwesterly line of Folsom Street; thence along said line of Folsom Street South 45°07'55" West 275.00 feet to the point of beginning.

CONTAINING 1.140 acres, more or less.

There shall be no abutter's rights of access appurtenant to the above-described real property in and to the adjacent State freeway.

There shall be no abutter's rights of access for motor vehicles measured from the curb return of the off-ramp in the northeast corner of Block 8 south for 100 feet along the eastern property line of Block 8.

NOTE: Legal Description under final review. Final/detailed legal description with various reserved rights to be finalized prior to Close of Escrow.

Reserving therefrom a permanent, non-exclusive easement for access, maintenance, repair, construction, reconstruction and replacement of the State freeway in the area described as...

Reserving therefrom a permanent and exclusive easement for access, maintenance, repair, construction, reconstruction, replacement and occupancy of highway signage associated with the State freeway in the area described as...

Reserving therefrom a permanent and exclusive easement for access, maintenance, repair, construction, reconstruction, replacement and occupancy of drain pipe associated with the State freeway in the area described as...

This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

ATTACHMENT 11-B

Form of Caltrans Deed

Space above this line for Recorder's Use

(Rescinded Route) Co-op Parcel C"

DIRECTOR'S DEED
(Quitclaim)

District	County	Route	Post Mile	Number
4	SF	480	0.2	DK-012876-01-01

(012882-01-01) (012884-01-01) (041794-01-01)

The STATE OF CALIFORNIA, acting by and through its Director of Transportation, does hereby release and quitclaim to City and County of San Francisco, a body politic and a municipal corporation of the State of California all right, title and interest in and to all that real property in the City and , County of San Francisco , State of California, described as:

See EXHIBIT "A" attached hereto and made a part hereof.

State shall have the power to terminate the fee simple estate in the Property conveyed by this deed, as defined in California Civil Code Section 885.010 and more particularly described in EXHIBIT "B" attached hereto and made a part hereof.

MAIL TAX
STATEMENTS TO:

NOTE: Legal Description under final review. Final/detailed legal description with various reserved rights to be finalized prior to Close of Escrow.

EXHIBIT A
Legal Description

S-8860
4-15-15
1 of 2

LEGAL DESCRIPTION

All that parcel of land (State Parcel No. 12884) conveyed to the State of California by deed recorded October 11, 1954, in Volume 6465 at Page 474, and all those parcels of land described as "PARCEL ONE", "PARCEL TWO", and "PARCEL THREE" (State Parcel No. 12876) conveyed to the State of California by deed recorded February 10, 1954, in Volume 6317 at Page 202, together with a portion of that parcel of land described as "PARCEL FOUR" conveyed to the State of California by said deed (State Parcel No. 12876), and all of those parcels of land described as "PARCEL I" and "PARCEL II" (State Parcel No. 12882) conveyed to the State of California by deed recorded May 25, 1954, in Volume 6382 at Page 364, and all that parcel of land described as "Parcel II" (State Parcel No. 12879) conveyed to the State of California by deed recorded February 15, 1954, in Volume 6319 at Page 59, together with a portion of that parcel of land described as "PARCEL I" conveyed to the State of California by said deed (State Parcel No. 12879) and all that parcel of land (State Parcel No. 12881) conveyed to the State of California by deed recorded September 10, 1954, in Volume 6446 at Page 407, and a portion of that parcel of land (State Parcel No. 41794) conveyed to the State of California by deed recorded June 13, 1969, in Book B344 at Page 650, all of Official Records of the City and County of San Francisco, State of California and being described as a whole as follows:

BEGINNING at the point of intersection of the northwesterly line of Folsom Street (82.50 feet wide) with the northeasterly line of First Street (82.50 feet wide); thence along said line of First Street North 44°52'05" West 182.00 feet; thence North 45°07'55" East 65.43 feet; thence South 44°52'05" East 1.80 feet; thence North 45°07'55" East 209.57 feet to the southwesterly line of Fremont Street (82.50 feet wide); thence along said line of Fremont Street South 44°52'05" East 180.20 feet to said northwesterly line of Folsom Street; thence along said line of Folsom Street South 45°07'55" West 275.00 feet to the point of beginning.

CONTAINING 1.140 acres, more or less.

There shall be no abutter's rights of access appurtenant to the above-described real property in and to the adjacent State freeway.

There shall be no abutter's rights of access for motor vehicles measured from the curb return of the off-ramp in the northeast corner of Block 8 south for 100 feet along the eastern property line of Block 8.

NOTE: Legal Description under final review. Final/detailed legal description with various reserved rights to be finalized prior to Close of Escrow.

Reserving therefrom a permanent, non-exclusive easement for access, maintenance, repair, construction, reconstruction and replacement of the State freeway in the area described as...

Reserving therefrom a permanent and exclusive easement for access, maintenance, repair, construction, reconstruction, replacement and occupancy of highway signage associated with the State freeway in the area described as...

Reserving therefrom a permanent and exclusive easement for access, maintenance, repair, construction, reconstruction, replacement and occupancy of drain pipe associated with the State freeway in the area described as...

This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

EXHIBIT "B"

POWER OF TERMINATION. The Property is being conveyed as part of a number of separate conveyances of property by Grantor to the City and County of San Francisco and the Transbay Joint Powers Authority pursuant to that certain Cooperative Agreement dated as of _____, by and between the State of California, acting by and through its Department of Transportation, the City and County of San Francisco and the Transbay Joint Powers Authority (herein, the "Cooperative Agreement"), to achieve the development of the New Transbay Terminal and related facilities, all as more particularly described in the Cooperative Agreement. All definitions set forth in the above referenced Cooperative Agreement are applicable to and incorporated into this deed. To assure the purposes of the Cooperative Agreement, the satisfaction of each of the provisions of subsections (a)(1) and (a)(2), below, is expressly declared to be a condition subsequent for the benefit of Grantor. Should said conditions not be satisfied, Grantor shall have the power to terminate the fee simple estate in the Property conveyed by this deed, and to reenter and take possession and title to the Property, including without limitation, all improvements thereon, in the manner provided in subsections (b) and (c) hereof and subject to expiration and relinquishment of the Power of Termination pursuant to subsection (d) hereof. The interest created in Grantor by this paragraph is a "Power of Termination" as defined in California Civil Code Section 885.010.

(a) With respect to the Property conveyed by this deed, the following are conditions subsequent:

(1) If the Property is sold to a third party by the City and County of San Francisco, the Transbay Joint Powers Authority or by the Redevelopment Agency of the City and County of San Francisco, as its successor in interest to the Property, the Gross Sales Proceeds shall be deposited into the Trust Account established pursuant to the Cooperative Agreement prior to or concurrently with the sale of the Property to the third party; and

(2) If the Property is retained by the City and County of San Francisco or the Transbay Joint Powers Authority, or transferred from the City and County of San Francisco to the Transbay Joint Powers Authority for the development of the New Transbay Terminal and related facilities, the New Transbay Terminal shall be completed by the Project Completion Date or by the date actual passenger bus service shall have commenced at the New Transbay Terminal, whichever is sooner.

(b) Grantor shall have the right, following not less than thirty days prior written notice to Grantee or its successor in interest to the Property, to exercise its Power of Termination in each of the following circumstances:

(1) If the Property is sold to a third party by the City and County of San Francisco, the Transbay Joint Powers Authority or by the Redevelopment Agency of the City and County of San Francisco, as its successor in interest to the Property, and the Gross Sales Proceeds are not deposited into the Trust Account established pursuant to the Cooperative Agreement prior to or concurrently with the sale of the Property to the third party or within thirty days following the written notice from Grantor (or by such later date as shall be specified in such notice); or

(2) If the Property is retained by the City and County of San Francisco or the Transbay Joint Powers Authority, or transferred from the City and County of San Francisco to the Transbay Joint Powers Authority for development of the New Transbay Terminal and related facilities and the New Transbay Terminal is not completed by the Project Completion Date (as defined in the Cooperative Agreement) or actual passenger bus service does not commence in the New Transbay Terminal by the Project Completion Date or within thirty days following the written notice from Grantor (or by such later date as shall be specified in such notice).

(c) Grantor's Power of Termination under this paragraph shall expire and be relinquished as to the Property, and Grantor agrees to the delivery and recordation of a Relinquishment of Power of Termination pursuant to the terms of the Cooperative Agreement, upon receipt of written notice from either the City and County of San Francisco, the Redevelopment Agency of the City and County of San Francisco or the Transbay Joint Powers Authority, as the case may be, that either:

(1) the Property has been sold by the City and County of San Francisco, the Transbay Joint Powers Authority or by the Redevelopment Agency of the City and County of San

Francisco, as its successor in interest to the Property, and the Gross Sales Proceeds have been deposited into the

Trust Account established pursuant to the Cooperative Agreement prior to or concurrently with the sale of the Property to the third party; and Grantor does not object thereto within thirty days of such notice; or

(2) the Property has been used for the development of the New Transbay Terminal and related facilities and either (a) the New Transbay Terminal has been completed by the Project Completion Date, or (b) actual passenger bus service has commenced at the New Transbay Terminal; and Grantor does not object thereto within thirty days of such notice.

(d) Unless specifically agreed to in writing by Grantor, the Power of Termination contained in subsection (b)(2), above, of this paragraph shall be senior to and shall not be limited, defeated, rendered invalid by the terms of, or rights or interests of parties and others provided in: (i) any bond indenture, note, certificate of participation, mortgage, deed of trust, assignment or other security instrument entered into to finance the design and development of the New Transbay Terminal and related facilities; and/or in (ii) any agreement or contract entered into in furtherance of the financing, design and development of the New Transbay Terminal and related facilities.

ATTACHMENT 11-C

Form of Caltrans Relinquishment

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Director of Property
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102

Recording Fee $0 (Govt Code § 27383)
Document Transfer Tax $0
(Rev. & Tax. Code § 11922; SF Bus. & Tax. Code 1105)

(Space above this line for Recorder's use)

RELINQUISHMENT OF POWER OF TERMINATION
Caltrans Parcel C"
portion of Block 3737, Lots 005, 012, 027
[include reference to future new Block & Lot if known]
San Francisco, CA

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, THE STATE OF CALIFORNIA, acting by and through its DEPARTMENT OF TRANSPORTATION (the "State"), does hereby REMISE, RELEASE, and QUITCLAIM to the CITY AND COUNTY OF SAN FRANCISCO ("City"), a body politic and a municipal corporation of the State of California, all of the State's remaining right, title and interest in the real property located in the City and County of San Francisco, State of California, described in Exhibit A attached hereto and made a part hereof and commonly described as Caltrans Parcel C", and, as to such property, does further hereby relinquish, release and forever terminate its rights and interest in and to the Power of Termination reserved by the State in, and all of Exhibit B to, its Director's (Quitclaim) Deed (Parcel C") recorded as of the date hereof in the Official Records of the City and County of San Francisco, and, as to such property, does further, hereby relinquish, release and forever terminate its rights and interest in and to any Gross Sale Proceeds (including any requirement that such Gross Sale Proceeds be deposited in the Trust Account under the July 11, 2003 Cooperative Agreement No. 4-1981-C by and between the State, the City and County of San Francisco, and the TJPA ("Cooperative Agreement") and any gross lease revenues generated from any portion of the above mentioned real property as set foth in the Cooperative Agreement.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

By: _____
Mark L. Weaver
Deputy District Director

Dated: _____

EXHIBIT "A"

LEGAL DESCRIPTION
CALTRANS PARCEL C"

NOTE: Legal Description under final review. Final/detailed legal description with various reserved rights to be finalized prior to Close of Escrow.

S-8860
4-15-15
1 of 2

LEGAL DESCRIPTION

All that parcel of land (State Parcel No. 12884) conveyed to the State of California by deed recorded October 11, 1954, in Volume 6465 at Page 474, and all those parcels of land described as "PARCEL ONE", "PARCEL TWO", and "PARCEL THREE" (State Parcel No. 12876) conveyed to the State of California by deed recorded February 10, 1954, in Volume 6317 at Page 202, together with a portion of that parcel of land described as "PARCEL FOUR" conveyed to the State of California by said deed (State Parcel No. 12876), and all of those parcels of land described as "PARCEL I" and "PARCEL II" (State Parcel No. 12882) conveyed to the State of California by deed recorded May 25, 1954, in Volume 6382 at Page 364, and all that parcel of land described as "Parcel II" (State Parcel No. 12879) conveyed to the State of California by deed recorded February 15, 1954, in Volume 6319 at Page 59, together with a portion of that parcel of land described as "PARCEL I" conveyed to the State of California by said deed (State Parcel No. 12879) and all that parcel of land (State Parcel No. 12881) conveyed to the State of California by deed recorded September 10, 1954, in Volume 6446 at Page 407, and a portion of that parcel of land (State Parcel No. 41794) conveyed to the State of California by deed recorded June 13, 1969, in Book B344 at Page 650, all of Official Records of the City and County of San Francisco, State of California and being described as a whole as follows:

BEGINNING at the point of intersection of the northwesterly line of Folsom Street (82.50 feet wide) with the northeasterly line of First Street (82.50 feet wide); thence along said line of First Street North 44°52'05" West 182.00 feet; thence North 45°07'55" East 65.43 feet; thence South 44°52'05" East 1.80 feet; thence North 45°07'55" East 209.57 feet to the southwesterly line of Fremont Street (82.50 feet wide); thence along said line of Fremont Street South 44°52'05" East 180.20 feet to said northwesterly line of Folsom Street; thence along said line of Folsom Street South 45°07'55" West 275.00 feet to the point of beginning.

CONTAINING 1.140 acres, more or less.

NOTE: Legal Description under final review. Final/detailed legal description with various reserved rights to be finalized prior to Close of Escrow.

There shall be no abutter's rights of access appurtenant to the above-described real property in and to the adjacent State freeway.

There shall be no abutter's rights of access for motor vehicles measured from the curb return of the off-ramp in the northeast corner of Block 8 south for 100 feet along the eastern property line of Block 8.

Reserving therefrom a permanent, non-exclusive easement for access, maintenance, repair, construction, reconstruction and replacement of the State freeway in the area described as...

Reserving therefrom a permanent and exclusive easement for access, maintenance, repair, construction, reconstruction, replacement and occupancy of highway signage associated with the State freeway in the area described as...

Reserving therefrom a permanent and exclusive easement for access, maintenance, repair, construction, reconstruction, replacement and occupancy of drain pipe associated with the State freeway in the area described as...

This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 2015, before me, _____, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

ATTACHMENT 11-D

Caltrans Letter Agreement

ACKNOWLEDGEMENT UNDER COOPERATIVE AGREEMENT

In 2003, the State, acting by and through its Department of Transportation ("Caltrans"), the City and County of San Francisco ("City"), and the Transbay Joint Powers Authority ("TJPA") entered into a Cooperative Agreement, which sets forth the process for the transfer of certain State-owned parcels to the City and the TJPA ("Cooperative Agreement"). This acknowledgement ("Acknowledgment") confirms the agreement of the parties to that Cooperative Agreement as to the metes and bounds legal description of the property referred to under the agreement as Parcel C".

The Cooperative Agreement provides that Caltrans shall transfer to the City the State's right, title, and interest in, among other properties, Parcel C". (See Cooperative Agreement, Section II(A).)

The Cooperative Agreement indicates that Parcel C" was generally expected to be transferred to the City as an irregular shape with the northern perimeter running parallel to the curving southern boundary of the State's off-ramp leading from the Bay Bridge to Fremont Street in San Francisco. (See Cooperative Agreement, Exhibit A.)

Subsequent to the execution of the Cooperative Agreement, however, the State has agreed to a reconfiguration of the Fremont Street off-ramp, which will straighten the curving shape of the off-ramp and allow it to run more perpendicular to Fremont Street. The off-ramp reconfiguration is expected to be complete in about August 2015. Upon completion of the reconfiguration project, the irregular portion of State land formerly occupied by the curve of the Fremont Street off-ramp will no longer have a transportation need and will no longer be a necessary part of the operating state highway system.

The Cooperative Agreement explains that the State-owned parcels subject to transfer to the City and the TJPA are parcels of land made vacant by the demolition of the Terminal Separator Structure, the retrofit of the West Approach to the San Francisco Bay Bridge (including the Loop Ramps), and the replacement of the former Transbay Terminal Project by the new Transbay Transit Center Project. (See Cooperative Agreement, pages 2-3.) The Cooperative Agreement characterizes the State-owned parcels subject to transfer as no longer having a transportation need and as no longer necessary parts of the operating state highway system. (See Cooperative Agreement, page 4.) The Cooperative Agreement further indicates that the State only intended to retain fee ownership of State land that remained part of the Operating Right of Way for Interstate Route 80. (See Cooperative Agreement, Section III(A).)

Because the irregular portion of State land formerly occupied by the curve of the Fremont Street off-ramp will no longer have a transportation need and will no longer be a necessary part of the operating state highway system after completion of the off-ramp reconfiguration project, it would be entirely consistent with the Cooperative Agreement's characterization of the State-owned parcels that are subject to transfer to the City and the TJPA for the parties to mutually agree that that irregular portion of State land is deemed part of the area otherwise referred to in the Cooperative Agreement as Parcel C". The Cooperative Agreement anticipated this kind of

administrative correction when it recognized that the Director's Quitclaim Deed conveying properties under the Cooperative Agreement was only a substantial form. (See Cooperative Agreement, Section II(A).)

A map and legal description of the current understanding of Parcel C", incorporating the irregular portion of State land formerly occupied by the curve of the off-ramp, is attached hereto.

The parties acknowledge and agree that all of the rights, responsibilities, and obligations of the parties to the Cooperative Agreement would apply to the entirety of Parcel C" (including the irregular portion of State land formerly occupied by the curve of the Fremont Street off-ramp), which obligations include, among other things, the requirement that the Gross Sales Proceeds for the sale of Parcel C" be deposited into the Trust Account established in accordance with the Cooperative Agreement for capital improvements; the obligation of Caltrans to timely provide a fully-executed Director's Deed conveying Parcel C" and Relinquishment of Power of Termination over such parcel; and the pledge of all Net Tax Increment (as defined in the Cooperative Agreement) generated from the development of the State-owned parcels to the TJPA.

Acknowledged and agreed to on behalf of
the Transbay Joint Powers Authority

Maria Ayerdi-Kaplan, Executive Director

Date: 5/22/15

Approved as to form:
Shute, Mihaly & Weinberger LLP

Deborah Miller
legal counsel to the TJPA

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

Acknowledged and agreed to on behalf of
the State of California Department of Transportation:

Bijan Sartipi, District Director
Caltrans District 4

Date: 5-4-15

Approved as to form:

legal counsel to the State of California
Department of Transportation

Acknowledged and agreed to on behalf of
the City and County of San Francisco:

John Updike, Director, Real Estate Division,
General Services Agency

Date:

Approved as to form:
Dennis J. Herrera, City Attorney

Heidi Gewertz, Deputy City Attorney
legal counsel to the City and County of
San Francisco

Acknowledged and agreed to on behalf of
the State of California Department of Transportation:

Bijan Sartipi, District Director
Caltrans District 4

Date: _____

Approved as to form:

legal counsel to the State of California
Department of Transportation

Acknowledged and agreed to on behalf of
the City and County of San Francisco:

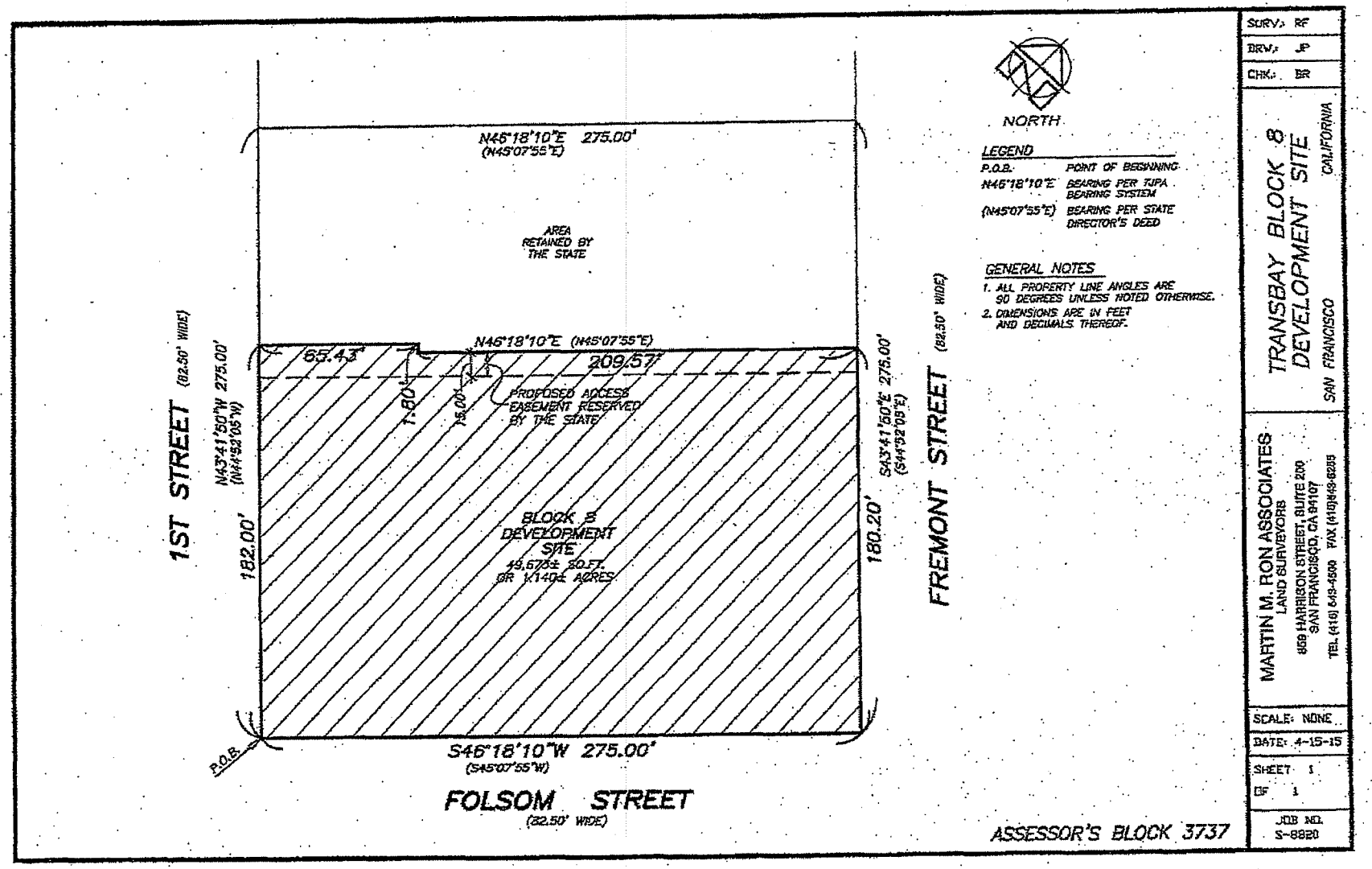
John Updike, Director, Real Estate Division,
General Services Agency

Date: May 1, 2015

Approved as to form:
Dennis J. Herrera, City Attorney

Heidi Gewertz, Deputy City Attorney
legal counsel to the City and County of
San Francisco

Map and Legal Description of Parcel C"



SURV.: RF
DRW.: JP
CHK.: BR

TRANSBAY BLOCK 8
DEVELOPMENT SITE
SAN FRANCISCO CALIFORNIA

MARTIN M. RON ASSOCIATES
LAND SURVEYORS
859 HARRISON STREET, SUITE 200
SAN FRANCISCO, CA 94107
TEL (415) 543-4500 FAX (415) 543-6295

SCALE: NONE
DATE: 4-15-15
SHEET 1
OF 1
JOB NO.
S-8820

NOTE: Legal Description under final review. Final/detailed legal description with various reserved rights to be finalized prior to DDA execution.

EXHIBIT A
Legal Description

S-8860
4-15-15
1 of 2

LEGAL DESCRIPTION

All that parcel of land (State Parcel No. 12884) conveyed to the State of California by deed recorded October 11, 1954, in Volume 6465 at Page 474, and all those parcels of land described as "PARCEL ONE", "PARCEL TWO", and "PARCEL THREE" (State Parcel No. 12876) conveyed to the State of California by deed recorded February 10, 1954, in Volume 6317 at Page 202, together with a portion of that parcel of land described as "PARCEL FOUR" conveyed to the State of California by said deed (State Parcel No. 12876), and all of those parcels of land described as "PARCEL I" and "PARCEL II" (State Parcel No. 12882) conveyed to the State of California by deed recorded May 25, 1954, in Volume 6382 at Page 364, and all that parcel of land described as "Parcel II" (State Parcel No. 12879) conveyed to the State of California by deed recorded February 15, 1954, in Volume 6319 at Page 59, together with a portion of that parcel of land described as "PARCEL I" conveyed to the State of California by said deed (State Parcel No. 12879) and all that parcel of land (State Parcel No. 12881) conveyed to the State of California by deed recorded September 10, 1954, in Volume 6446 at Page 407, and a portion of that parcel of land (State Parcel No. 41794) conveyed to the State of California by deed recorded June 13, 1969, in Book B344 at Page 650, all of Official Records of the City and County of San Francisco, State of California and being described as a whole as follows:

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CONTAINING 1.140 acres, more or less.

There shall be no abutter's rights of access appurtenant to the above-described real property in and to the adjacent State freeway.

There shall be no abutter's rights of access for motor vehicles measured from the curb return of the off-ramp in the northeast corner of Block 8 south for 100 feet along the eastern property line of Block 8.

NOTE: Legal Description under final review. Final/detailed legal description with various reserved rights to be finalized prior to DDA execution.

Reserving therefrom a permanent, non-exclusive easement for access, maintenance, repair, construction, reconstruction and replacement of the State freeway in the area described as...

Reserving therefrom a permanent and exclusive easement for access, maintenance, repair, construction, reconstruction, replacement and occupancy of highway signage associated with the State freeway in the area described as...

Reserving therefrom a permanent and exclusive easement for access, maintenance, repair, construction, reconstruction, replacement and occupancy of drain pipe associated with the State freeway in the area described as...

This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

ATTACHMENT 12

Form of Notice of Exclusive Right of Repurchase

Free Recording Requested Pursuant to Government Code Section 27383 at the Request of the Successor Agency to the Redevelopment Agency of the City and County of San Francisco WHEN RECORDED, MAIL TO: Successor Agency to the Redevelopment Agency of the City and County of San Francisco One South Van Ness Avenue, Fifth Floor San Francisco, CA 94103 Attention: Transbay Project Team	
Assessor's Block 3737, Portions of Lot 005, 012, 027 Commonly known as Transbay Block 8	Space Above This Line Reserved for Recorder's Use

NOTICE OF EXCLUSIVE RIGHT OF REPURCHASE

This NOTICE OF EXCLUSIVE RIGHT OF REPURCHASE is made pursuant to a Disposition and Development Agreement dated_____, 2015 and recorded on _____, 2015, in the Office of the Recorder of the City and County of San Francisco, as Document No. _____, of the Official Records (the "DDA"), by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, organized and existing under the laws of the State of California (the "Agency"), and Transbay 8 Urban Housing LLC, a Delaware Limited Liability Company (the "Owner"), which covered the development of certain real property situated in the City and County of San Francisco (the "City"), State of California, which property is particularly described in Exhibit "A" attached hereto and made a part hereof (the "Property"). The Agency and the Owner hereby serve notice as follows:

WITNESSETH:

WHEREAS, the Owner is the owner of the Property, and has granted the Agency an exclusive right of repurchase pursuant to Section 8.03(b)(i) of the DDA (the "Exclusive Right of Repurchase"), which entitles the Agency to have an Exclusive Right of Repurchase the Site (both as defined in the DDA) from the Owner on the terms and conditions of Section 8.03(b)(i) of the DDA; and

WHEREAS, if Owner does not commence construction of the Improvements (as defined in the DDA) by the date specified in the Schedule of Performance (Attachment 5 of the DDA), subject to the cure periods provided in Section 8.01(c) of the DDA and as such date may be extended for any time attributable to Force Majeure as defined in Section 8.09 of the DDA), the Agency may inform the Owner in writing of such uncured failure and exercise its Exclusive Right of Repurchase by immediately recording this Notice of Exclusive Right of Repurchase; and

WHEREAS, the Exclusive Right of Repurchase shall automatically terminate, when the Owner has commenced construction on the Site.

Nothing contained in this instrument shall modify in any other way any other provision of said DDA nor any other provisions of those documents incorporated in said DDA.

IN WITNESS HEREOF, the Agency and the Owner have executed this Notice of Exclusive Right of Repurchase this _____ day of _____, 2015.

Authorized by Successor Agency Resolution No. ___-2015, adopted _____, 2015.

AGENCY:

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, organized and existing under the laws of the State of California

By:_____
Tiffany J. Bohee
Executive Director

OWNER:

Transbay 8 Urban Housing LLC,
a Delaware Limited Liability Company

By:_____

Its:

APPROVED AS TO FORM:

By:_____
James Morales
General Counsel

APPROVED AS TO FORM:
DENNIS J. HERRERA, CITY ATTORNEY

By:_____
Heidi J. Gewertz
Deputy City Attorney

EXHIBIT "A"

Property Legal Description

ATTACHMENT 13-A

Form of Partial Notice of Termination

Free Recording Requested Pursuant to
Government Code Section 27383 at the
Request of the Successor Agency to the
Redevelopment Agency of the City and County
of San Francisco

WHEN RECORDED, MAIL TO:

Successor Agency to the Redevelopment Agency of the
City and County of San Francisco
One South Van Ness Avenue, Fifth Floor
San Francisco, CA 94103
Attention: Transbay Project Team

Assessor's Block 3737, Portions of Lot 005, 012, 027
Commonly known as Transbay Block 8

Space Above This Line Reserved for Recorder's Use

FORM OF PARTIAL NOTICE OF TERMINATION

Assessor's Block 3737, Portions of Lot 005, 012, 027
Commonly known as Transbay Block 8

A. By Grant Deed dated _____, recorded on _____ in the Official Records of the City and County of San Francisco (the "Official Records"), at _____ (the "Deed"), the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, organized and existing under the laws of the State of California (the "Agency"), conveyed a fee simple interest in all that certain real property known as Portions of Lot 005, 012, 027, Assessor's Block 3737, situated in the City and County of San Francisco, State of California, which property is particularly described in Exhibit "A", Site Legal Description, attached hereto (the "Site"), to Transbay 8 Urban Housing LLC, a Delaware Limited Liability Company (the "Developer") pursuant to the Disposition and Development Agreement between the Developer and the Agency (the "DDA"), and which DDA is recorded as Document No. _____ in Reel _____, Image ____ on _____ in the Official Records.

B. Pursuant to Section 4.13 of the DDA, the Agency agreed to issue a separate Partial Notice of Termination prior to Completion of the Improvements as defined in the DDA for each completed [Phase][Condominium Unit] within the Site. With respect to [the Phase][those

Residential Condominium Units] listed in Exhibit "B" attached hereto ("Completed [Phase][Condominium Units]"), the Agency has conclusively determined that the Completion Date (as defined in the DDA) has occurred with respect to the portion of the Improvements relating to the Completed [Phase][Condominium Units] for the Site in accordance with the requirements of the DDA. Furthermore, the Developer has provided the Agency with a Temporary Certificate of Occupancy ("TCO") dated _____ and expiring on _____ as issued by the Department of Building Inspection City and County of San Francisco for the Completed [Phase][Condominium Units] shown on Exhibit "B". The occurrence of the Completion Date with respect to any individual Phase or Condominium Units shall be defined as "Completion" of such Phase or Condominium Units;

C. As stated in the DDA, the Agency's determination regarding such Completion is not directed to, and thus the Agency assumes no responsibility for, engineering or structural matters or compliance with building codes and regulations or applicable local, State or Federal law relating to construction standards.

ACCORDINGLY, as provided in the DDA, and subject to the foregoing provisions hereof, the Agency does hereby acknowledge that the obligations of Developer under the DDA have been fully performed with respect to the Completed [Phase][Condominium Units] and that the Completed [Phase][Condominium Units] have been Completed in accordance with the requirements of the DDA as set forth above.

Nothing contained in this instrument shall modify in any way any provisions of the DDA nor any other provision of any documents incorporated in the DDA, as applied to portions of the Property other than the Completed [Phase][Condominium Units].

Upon recordation of this Partial Notice of Termination, the provisions of the DDA, with respect to the Completed [Phase][Condominium Units], shall be deemed satisfied and the DDA shall be deemed terminated (SAVE AND EXCEPT for the Surviving Provisions (as defined in Section 5.08 of the DDA) with respect to the Completed [Phase][Condominium Units], and the portions of the DDA other than the Surviving Provisions shall have no further force or effect on the Completed [Phase][Condominium Units]; provided, however, the Agency agrees to look only

to Developer (a) with respect to any liability under any indemnification obligations in the Surviving Provisions and (b) completion of those portions of the Improvements that have not been completed; and no successor owner to Developer of any of the Completed [Phase][Condominium Units] shall have any liability to the Agency whatsoever with respect to such indemnification obligations or completion of those portions of the Improvements that have not been completed.

IN WITNESS HEREOF, the Agency and the Owner have executed this Partial Notice of Termination this _____ day of _____, _____.

Authorized by Successor Agency Resolution No. ___-2015, adopted _____, 2015.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, organized and existing under the laws of the State of California

By:_____
Tiffany J. Bohee
Executive Director

OWNER:

Transbay 8 Urban Housing LLC,
a Delaware Limited Liability Company

By:_____

Its:

APPROVED AS TO FORM:

By:_____
James Morales
General Counsel

APPROVED AS TO FORM:
DENNIS J. HERRERA, CITY ATTORNEY

By:_____
Heidi J. Gewertz
Deputy City Attorney

Exhibit "A"

Real property situated in the City and County of San Francisco, State of California, described as follows:

Exhibit "B"

[Description of Completed Phase][List of Completed Residential Condominium Units]

ATTACHMENT 13-B

Form of Final Notice of Termination

ATTACHMENT 13-B

Form of Final Notice of Termination

Free Recording Requested Pursuant to Government Code Section 27383 at the Request of the Successor Agency to the Redevelopment Agency of the City and County of San Francisco

WHEN RECORDED, MAIL TO:

Successor Agency to the Redevelopment Agency of the City and County of San Francisco
One South Van Ness Avenue, Fifth Floor
San Francisco, CA 94103
Attention: Transbay Project Team

Assessor's Block 3737, Portions of Lot 005, 012, 027
Commonly known as Transbay Block 8

Space Above This Line Reserved for Recorder's Use

FINAL NOTICE OF TERMINATION

This FINAL NOTICE OF TERMINATION is made pursuant to a Disposition and Development Agreement dated _____ and recorded on _____, 2015, in the Office of the Recorder of the City and County of San Francisco, as Instrument/File No. __-_____-__, Reel ____, Image ___ of the Official Records (the "DDA"), by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, organized and existing under the laws of the State of California (the "Agency"), and Transbay 8 Urban Housing LLC, a Delaware Limited Liability Company (the "Owner") (the "Owner"), which covered the development of certain real property situated in the City and County of San Francisco (the "City"), State of California, which property is particularly described in Exhibit "A" attached hereto and made a part hereof (the "Property"). The Agency and the Owner hereby serve notice as follows:

WITNESSETH:

WHEREAS, with respect to the above-described real property, the Owner has completed the construction of the Improvements as defined in the DDA; and

WHEREAS, with respect to the above-described real property, per Section 4.13 of the DDA, Owner has provided the Agency with copies of Final Certificates of Occupancy for the Improvements as issued by the City's Department of Building Inspection; and

WHEREAS, per Section 4.13 of the DDA, the Agency is issuing to Owner, in recordable form, this Notice of Termination which confirms that the Agency has conclusively determined that the construction obligations of the Owner as specified in said DDA, have been fully performed and the Improvements

completed in accordance therewith; and

WHEREAS, the Agency's issuance of this Notice of Termination does not relieve Owner, its successors and assigns, or any other person or entity from any and all City requirements or conditions to occupancy of any Improvements, which City requirements or conditions must be complied with separately; and

WHEREAS, per Section 4.07(b) of the DDA, the Agency's determination regarding said construction obligations is not directed to, and thus the Agency assumes no responsibility for, engineering or structural matters or compliance with City building codes and regulations or applicable state or federal law relating to construction standards; and

WHEREAS, per Section 5.08e of the DDA, the "Surviving Provisions" as defined in such Section 5.08 survive the Agency's issuance of this Notice of Termination; and

NOW, THEREFORE, as provided for in Section 4.13(a) in said DDA, the Agency and the Owner hereby agree to terminate the DDA (SAVE and EXCEPT for the Surviving Provisions), and the remaining portions of said DDA shall have no further force or effect on the Property.

Nothing contained in this instrument shall modify in any other way any other provision of said DDA nor any other provisions of those documents incorporated in said DDA.

IN WITNESS HEREOF, the Agency and the Owner have executed this Notice of Termination this _____ day of _____, _____.

Authorized by Successor Agency Resolution No. ___-2015, adopted _____, 2015.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, organized and existing under the laws of the State of California

By:_____
Tiffany J. Bohee
Executive Director

APPROVED AS TO FORM:

By:_____
James Morales
General Counsel

APPROVED AS TO FORM:
DENNIS J. HERRERA, CITY ATTORNEY

By:_____
Heidi J. Gewertz
Deputy City Attorney

OWNER:

Transbay 8 Urban Housing LLC,
a Delaware Limited Liability Company

By:_____

Its:

EXHIBIT "A"

Property Legal Description

ATTACHMENT 14

Form of Declaration of Site Restrictions

ATTACHMENT 14

Form of Declaration of Site Restrictions

Free Recording Requested Pursuant to Government Code Section 27383 at the Request of the Successor Agency to the Redevelopment Agency of the City and County of San Francisco

WHEN RECORDED, MAIL TO:

Successor Agency to the Redevelopment Agency of the City and County of San Francisco
One South Van Ness Avenue, Fifth Floor
San Francisco, CA 94103
Attention: Development Services

Assessor's Block 3737, Portions of Lot 005, 012, 027
Commonly known as Transbay Block 8

Space Above This Line Reserved for Recorder's Use

DECLARATION OF SITE RESTRICTIONS

The following are the Conditions, Covenants and Restrictions affecting Property (as hereinafter defined) of Transbay 8 Urban Housing LLC, a Delaware Limited Liability Company, the owner of that certain property commonly known as Transbay Block 8. Block 8 is an about 42,625-square-foot parcel on Folsom Street between First and Fremont Streets, located two blocks south of the future Transbay Transit Center and within the Transbay Redevelopment Project Area in the City and County of San Francisco, State of California.

THIS DECLARATION OF SITE RESTRICTIONS ("Declaration") is made as of the _____ day of _____, 2015, by the undersigned, hereinafter called the "Owner."

WITNESSETH:

WHEREAS, the Owner owns portions of Lot 005, 012, 027 in Assessor Block 3737 (the "Property") in that certain Redevelopment Area in the City and County of San Francisco, State of California, covered by the Redevelopment Plan for the Transbay Redevelopment Project Area, filed in the Office of the Recorder of the City and County of San Francisco, State of California, as Document No. 2006I224836, filed on August 4, 2006, hereinafter referred to as the "Plan" or the "Redevelopment Plan;" and

WHEREAS, the Owner and the Successor Agency to the Redevelopment Agency of the City and County of San Francisco ("Successor Agency"), commonly known as the Office of Community Investment and Infrastructure ("OCII"), entered into that certain Disposition and Development Agreement dated as of _____ (the "DDA" or "Agreement"), for the transfer of fee title of Property for the development of a residential project. The Agreement is incorporated by reference in this Declaration as though fully set forth in this Declaration. Definitions and rules of interpretation set forth in the Agreement apply to this Declaration.

WHEREAS, the California Community Redevelopment Law requires that adequate safeguards be imposed so that the work of redevelopment will be carried out pursuant to the Redevelopment Plan, and

provides for the retention of controls and the establishment of restrictions and covenants running with land sold or leased for private use; and

WHEREAS, for the purpose of providing adequate safeguards that the work of redevelopment will be carried out pursuant to the Redevelopment Plan and to ensure the best use and the most appropriate development and improvement of the property described in the Redevelopment Plan; to protect the owners of building sites against such improper use of surrounding building sites as will depreciate the value of their property; to guard against the erection thereon of poorly designed or proportioned structures; to ensure the highest and best development of said property; to encourage and secure the erection of attractive structures thereon, with appropriate locations on building sites; to prevent haphazard and inharmonious improvement of building sites; to secure and maintain proper setbacks from streets and adequate free space between structures; and, in general, to provide adequately for a high type and quality of improvement on said property, and thereby to enhance the value of investments made by purchasers of building sites therein, the Owner is desirous of subjecting the real property hereinafter described to the covenants, conditions and restrictions hereinafter set forth, each and all of which is and are for the benefit of said property and for each owner thereof and shall inure to the benefit of said property and for each owner thereof and pass with said property and each and every parcel thereof and shall apply to and bind the successors in interest and any owner thereof.

NOW, THEREFORE, the Owner hereby declares that the real property described and referred to in Clause 1 hereof, is and shall be held, transferred, sold, and conveyed, subject to the covenants, conditions and restrictions, hereinafter set forth and further described in Exhibit B, "Surviving Provisions of the DDA", attached hereto a made a part hereof:

1. Property Subject to This Declaration

The Property which is, and shall be, held, conveyed, transferred and sold, subject to the covenants, conditions and restrictions with respect to the various portions thereof set forth in the various clauses and subdivisions of this Declaration is located in the City and County of San Francisco, State of California, and is more particularly described as all that certain real property situated in the City and County of San Francisco (the "City"), State of California, and is more particularly described in Exhibit A attached hereto and made a part hereof.

2. Incorporation of Redevelopment Plan by Reference

The Redevelopment Plan for the Transbay Redevelopment Project Area, was approved and adopted by the Board of Supervisors of the City and County of San Francisco on June 21, 2005 by Ordinance 124-05, and as amended by Ordinance No. 99-06 adopted on May 9, 2006, and copies of which have been filed in the Office of the Recorder of the City and County of San Francisco, State of California. Each and every term, condition, and provision set forth in said Redevelopment Plan is hereby incorporated by reference in and made a part of this Declaration of Restrictions with the same force and effect as though set forth in full herein.

3. Review of Plans

All preliminary architectural and site plans and the final plans and specifications for the construction of buildings and improvements on the land shall be submitted to the Successor Agency for review and approval. Those plans shall be in sufficient detail to enable the Successor Agency to make a determination as to the compliance of the plans with these restrictions and with the Redevelopment Plan for the Project Area.

4. Maintenance

All buildings and improvements constructed in the Transbay Redevelopment Project Area ("Project Area") shall be maintained in compliance with the laws of the State of California and the Ordinances and

Regulations of the City and County of San Francisco.

5. Nondiscrimination Provisions

As provided in Section 5.04 of the DDA, as such is included in Exhibit B attached hereto, there shall be no discrimination against or segregation of any person or group of persons on account of age, race, color, creed, sex, sexual orientation, gender identity, marital or domestic partner status, disabilities (including AIDS or HIV status), religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property subject to this Declaration, nor shall the Owner or any claiming under or through him or her establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees or vendees at the Property. All deeds, leases, subleases, or contracts shall contain or shall be deemed to contain a covenant by the Owner, and his or her heirs, executors, administrators and assigns to the above effect.

There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property subject to this Declaration, nor shall the Owner or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees at the Property. The foregoing covenants shall run with the land. Unless an instrument, describing property in the Project Area, has been recorded agreeing to change said covenants, the covenants contained in Clause 5 hereof shall run in perpetuity.

6. Land Use Restrictions

As provided in Section 5.02 of the DDA, as such is included in Exhibit B attached hereto, the Owner shall devote the Property and the improvements thereon only to the uses permitted by (1) the Redevelopment Plan, (2) the Project Area Declaration of Restrictions, and (3) the affordability requirements specified in Section 9.03(a) of the DDA. The Property is zoned "Zone 1: Transbay Downtown Residential" in the Redevelopment Plan. The Owner intends to use the Property for development of the Project (as defined in DDA and the details of which are contained in the Scope of Development, Attachment 6 to the DDA). The uses contemplated in the Scope of Development are consistent with the Zone 1 requirements of the Redevelopment Plan.

7. Hazardous Materials Indemnification

The Owner shall indemnify the Successor Agency, the City, and the Transbay Joint Powers Authority ("TJPA") from and against claims relating to the Owner's violation of any Environmental Law, or any Release or threatened Release of a Hazardous Substance, or any condition of pollution, contamination or Hazardous Substance-related nuisance on, under or from the Property, as provided in Section 3.02 of the DDA, as such is included in Exhibit B attached hereto.

8. Insurance

Pursuant to Section 4.19(c)(iv) of the DDA, as such is included in Exhibit B attached hereto, Owner must maintain professional liability insurance for no less than ten (10) years beyond the Completion of Construction.

9. Compliance with Requirements of TIFIA Loan

Pursuant to Section 5.05 of the DDA, as such is included in Exhibit B attached hereto, Owner shall not object to any conclusion that the assessed value of the Property shall be the greater of: (i) the existing assessed value of the Property as determined by the Assessor-Recorder, or (ii) the sum of: (x) the

purchase price for the Property plus (y) the cost of the building(s) constructed pursuant to the DDA; provided, however, that neither Successor Agency nor TJPA shall object to or otherwise interfere with Owners' application for the welfare exemption in accordance with the California Revenue and Taxation Code Section 214(g) and the California State Board of Equalization Property Tax Rules. The obligations of this Clause 9 shall be coterminous with the term of the TIFIA Loan, which expires on the date that is the earlier of (i) February 1, 2052, or (ii) the date when the TJPA makes the last payment required under the terms of the TIFIA Loan ("**TIFIA Loan Termination**"). On or as soon as practicable following the TIFIA Loan Termination but in no event later than thirty (30) days after the TIFIA Loan Termination, the TJPA shall provide Owner (x) written notice of the expiration of the term of the TIFIA Loan, and (y) a document in form reasonably acceptable to each of TJPA and Owner to release the Property from the requirements of this provision, which document TJPA and/or Owner may record in the Official Records of the City and County of San Francisco.

10. No Changes Without Approval

Pursuant to Section 5.07 of the DDA, as such is included in Exhibit B attached hereto, neither Owner nor any successor or assign may make or permit any change in the uses of the Property or any Change in the Improvements (as defined in the DDA), unless the express prior written consent for the change in uses or any Change in the Improvements has been requested and obtained from the Successor Agency; and if obtained, upon any terms and conditions the Successor Agency reasonably requires.

11. Indemnification

Owner shall indemnify, defend, and hold harmless the Successor Agency, the City, the TJPA and their respective members, officers, agents and employees as provided in Section 12.01 of the DDA, as such is included in Exhibit B attached hereto.

12. General Provisions

a. Term

These covenants are to run with the land and shall be binding on all parties and all persons claiming under them as of the date this Declaration is executed and, unless a different term is specified herein, during the effective period of the Redevelopment Plan, which remains in effect until June 21, 2035, unless an instrument, describing property in the Project Area, has been recorded agreeing to change said covenants, provided, however, that covenants contained in Clause 5 hereof shall run in perpetuity subject to the conditions therein. These covenants shall be deemed automatically extended during the effective period of any extension of the Redevelopment Plan. For the avoidance of doubt, these covenants shall survive the Successor Agency's recordation of a partial or full Notice of Termination for the Improvements. After the expiration or termination of the Redevelopment Plan, the use and subsequent development or redevelopment of the Property will become subject to the City's land use ordinances and policies, including but not limited to the City's Planning Code.

b. Enforcement

In the event of any breach of any of the covenants contained herein, it shall be the duty of the Successor Agency to endeavor immediately to remedy such breach by conference, conciliation and persuasion. In the case of failure so to remedy such breach, or in advance thereof, if in the judgment of the Successor Agency circumstances so warrant, said breach shall be enjoined or abated by appropriate proceedings brought by the Successor Agency.

The Successor Agency, on its own behalf or on behalf of any owner or owners, singly or collectively, or any real property in the Project Area covered by these restrictions, or any such owner or owners may, at any time, prosecute any proceedings in law or in equity in case of any violation or attempt to violate any of the covenants contained herein.

c. Variances

Where, owing to special conditions, a literal enforcement of these restrictions in regard to the physical standards and requirements as referred to in Section 2 hereof would result in unnecessary hardship, involve practical difficulties, or would constitute an unreasonable limitation beyond the spirit and purposes of these restrictions, the Successor Agency shall have the power upon appeal in specific cases to authorize such variation or modification of the terms of these restrictions as will not be contrary to the public interest and so that the spirit of these restrictions shall be observed and justice done, provided that in no instance will any adjustments be granted that will change the land use of the Redevelopment Plan. Other basic requirements of the Redevelopment Plan shall not be eliminated but adjustments thereof may be permitted, provided such adjustments are consistent with the general purposes and intent of the Redevelopment Plan.

d. Foreclosure and Enforcement of Liens

The provisions of this Declaration do not limit the rights of obligees to foreclose or otherwise enforce any mortgage, deed of trust, or other encumbrance upon the property, or the rights of such obligees to pursue any remedies for the enforcement of any pledge or lien upon the property; provided, however, that in the event of a foreclosure sale under any such mortgage, deed of trust, or other lien or encumbrance or a sale pursuant to any power of sale contained in any such mortgage or deed of trust, the purchaser or purchasers and their successors and assigns, and the property, shall be and shall continue to be, subject to all of the conditions, restrictions, and covenants herein provided for.

e. Amendment

If at any time the Redevelopment Plan is amended in any manner as is now or hereafter permitted by law, this Declaration may be amended accordingly.

f. Dissolution

In the event that the Successor Agency is dissolved or its designation changed by or pursuant to law prior to carrying out the Redevelopment Plan, its powers, duties, rights, and functions under this Declaration shall be transferred pursuant to any applicable provisions of such laws.

g. Separability of Provisions

If any provision of this Declaration of Site Restrictions or the application of such provision to any owner or owners or parcel of land is held invalid, the validity of the remainder of this Declaration of Site Restrictions and the applicability of such provision to any other owner or owners or parcel of land shall not be affected thereby.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed as of the day and year first written above.

OWNER:

Transbay 8 Urban Housing LLC, a Delaware Limited Liability Company

By _____

Its:

EXHIBIT "A"

Property Legal Description

EXHIBIT B

Surviving Provisions of the DDA
(all sections noted refer to DDA Sections)

3.02 Hazardous Materials Indemnification

(a) After the Close of Escrow, Lead Developer and Affordable Developer shall each indemnify, defend and hold Successor Agency, the City and the TJPA, and their respective members, officers, agents and employees (individually, an "**Indemnified Party**" and collectively, the "**Indemnified Parties**") harmless from and against any 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 (A) the Lead Developer's or Affordable Developer's (as applicable) violation of any Environmental Law, or (B) any Release or threatened Release of a Hazardous Substance, or any condition of pollution, contamination or Hazardous Substance-related nuisance on, under or from the Site, occurring after the Close of Escrow, except where such violation, Release or threatened Release, or condition was at any time caused by (I) the gross negligence or intentional misconduct of the Indemnified Party seeking indemnification, (II) the acts or omissions of SFCTA, or its employees, agents, contractors or representatives, in connection with the Off-Ramp Work on or adjacent to the Site, or (III) migration of a Hazardous Substance from another property that is owned, operated or controlled by the Indemnified Party seeking indemnification. The indemnification obligations by Lead Developer and Affordable Developer with respect to violations of Environmental Law pursuant to clause (A) above shall, for each Developer, only apply to its own violation of Environmental Law, and the obligations with respect to Release or threatened Release of Hazardous Substances pursuant to clause (B) above shall be joint and several prior to Parcelization 2 of the Site and, thereafter, shall apply with respect to each Developer (and/or its successor after a Transfer of one or more Phase(s) or Portion(s)) only as to its Ownership Parcel(s).

(b) For purposes of this Section 3.02, the term "**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 §§25316 and 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 that occur naturally on the Site.

(c) The term "**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.

(d) For purposes of this Section 3.02, the term "**Release**" shall mean any spilling, 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).

4.19 Insurance Requirements

(c) Minimum Limits. Lead Developer and Affordable Developer must maintain limits no less than:

(i) Professional Liability: $2,000,000 each occurrence and in the annual aggregate covering all negligent acts, errors and omissions of Lead Developer's and Affordable Developer's respective architects, engineers, surveyors, and other design professionals. Lead Developer and Affordable Developer shall respectively assure that these minimum limits are maintained for no less than ten (10) years beyond the Completion of Construction.

5.02 General Restrictions

The Site and the Improvements thereon shall be devoted only to the uses permitted by (i) the Redevelopment Plan, (ii) the Project Area Declaration of Restrictions, and (iii) Affordability Requirements to be documented in the Air Rights Lease and a Declaration of Restrictions for each of the Affordable Project and the 80/20 Project setting forth the affordability restrictions as described in Section 9.03(b) for the period during which they are in effect.

5.04 Nondiscrimination

(a) There shall be no discrimination against or segregation of any person or group of persons on account of age, race, color, creed, sex, sexual orientation, gender identity, marital or domestic partner status, disabilities (including AIDS or HIV status), religion, national origin or ancestry by any Developer or any occupant or user of the Site in the sale, lease, rental, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, or any part thereof, and each Developer itself (or any person or entity claiming under or through it) shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of its Ownership Parcel or any part thereof, nor shall such Developer or any transferee, successor, assign or holder of any interest in the Site establish or permit any such practice or practices of discrimination or segregation. Each Developer, transferee, successor, assign or holder of any interest in the Site shall include reference to the obligations in this Section 5.04(a) in any lease of any portion of the Site or Improvements.

(b) Lead Developer or Affordable Developer itself (or any person or entity claiming under or through it) further agrees and covenants that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926,12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of its Ownership Parcel nor shall the Lead Developer or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in its Ownership Parcel.

(c) Notwithstanding the above, Development Team shall not be in default of its obligations under this Section 5.04 where there is a judicial action or arbitration involving a bona fide dispute over whether Development Team is engaged in discriminatory practices and Development Team promptly acts to satisfy any judgment or award against Development Team.

(d) The covenants of this Section 5.04 shall run with the land, and any transferee, successor, assign, or holder of any interest in the Site, or any occupant or user thereof, whether by contract, lease, rental, sublease, license, deed, mortgage or otherwise, and whether or not any written instrument or oral agreement contains the foregoing prohibitions against discrimination, shall be bound hereby and shall not violate in whole or in part, directly or indirectly, the nondiscrimination requirements set forth above.

5.05 Compliance with Requirements of TIFIA Loan

Consistent with the requirements of the TIFIA Loan:

(a) Lead Developer shall not object to any conclusion that the assessed value of the Site shall be the greater of: (i) the existing assessed value of the Site as determined by the Assessor-Recorder, or (ii) the sum of: (x) the purchase price for the Site plus (y) the cost of the building(s) constructed pursuant to this Agreement; provided, however, that neither Successor Agency nor TJPA shall object to or otherwise interfere with Developers' application for the welfare exemption as to the Affordable Project and the BMR Units in accordance with the California Revenue and Taxation Code Section 214(g) and the California State Board of Equalization Property Tax Rules.

(a) Subject to the rights of any Mortgagee (as defined in Section 7.01) under any Mortgage (as defined in Section 7.01), Lead Developer shall apply fire and casualty property insurance proceeds to the restoration of the Project if, in the reasonable judgment of the Successor Agency, the funds available to Lead Developer in the event of all or partial destruction of the Project are sufficient to restore the Project to its prior use and condition.

(c) Successor Agency shall record the Deed Restriction re Taxes, as described in Section 2.05(b).

5.07 No Changes Without Approval

For the period during which the Redevelopment Plan and Declaration of Restrictions are in effect, neither Lead Developer, Affordable Developer nor any successor or assign may make or permit any change in the uses of its Ownership Parcel(s) or any Change in the Improvements (as defined below) on its Ownership Parcel(s), unless the express prior written consent for the change in uses or any Change in the Improvements has been requested and obtained from the Successor Agency; and if obtained, upon any terms and conditions the Successor Agency reasonably requires. **"Change in the Improvements"** is defined as any material alteration, modification, addition and/or substitution of or to the Site or the Improvements that materially and adversely changes: (a) the density of the Project; (b) the extent and nature of the open space on the Site from that certified by the Successor Agency as complete in accordance with this Agreement; (c) the exterior, visible design of the Improvements (to the extent material), if inconsistent with other similar improvements in the vicinity of the Site; (d) the exterior, visible materials used in the Improvements (to the extent material), if inconsistent with other similar improvements in the vicinity of the Site; and/or (e) the exterior color of the Improvements (to the extent material), if inconsistent with other similar improvements in the vicinity of the Site. For the purposes of this Section, "exterior" also includes the roof of the Improvements to the extent it is visible from the street. The Successor Agency's approval will not be unreasonably withheld, conditioned or delayed.

12.01 Indemnification

Lead Developer and Affordable Developer, as applicable, shall indemnify, defend, and hold harmless the Successor Agency, the City, the TJPA and their respective members, officers, agents

and employees (the "**Indemnitee Parties**") from and against any losses, costs, claims, damages, liabilities and causes of action (including reasonable attorney's fees and court costs) related to the Site arising out of: (i) the actions of the Lead Developer or Affordable Developer, as applicable, after the Effective Date of the Agreement, (ii) any challenge to the entitlement of the Lead Developer or Affordable Developer to undertake the program described in the Scope of Development, (iii) related to the death of or injury to any person or damage to any property occurring on the Site during the construction of the Improvements by Lead Developer, or (iv) related to the death of or injury to any person or damage to any property occurring on the Site after the Close of Escrow; provided, however, that the foregoing indemnity and defense obligations in clauses (i) through (iv) shall not apply to any losses, costs, claims, damages, liabilities or causes of action (including reasonable attorneys' fees and court costs) (I) to the extent the same are due to the gross negligence or willful misconduct of the person or party seeking to be indemnified (Agency, the City or TJPA, as the case may be), or its respective agents, employees or contractors; (II) arising out of or related to any acts or omissions of Caltrans or SFCTA, their employees, agents, contractors or representatives, in connection with the Off-Ramp Work or any other work or activity on or adjacent to the Site; or (III) arising out of any default under this Agreement by the person or party seeking to be indemnified, or its respective agents, employees or contractors (collectively, "**Indemnity Exclusions**"); but further provided that the Successor Agency may require that Developers defend the Indemnitee Parties against claims pursuant to this Section until it is established that such claims are Indemnity Exclusions; provided, the Successor Agency and Indemnitee Parties shall reimburse Developers such defense costs in proportion to the degree of the negligence or fault of such parties. Lead Developer's obligations under this Section 12.01 shall survive Successor Agency's recordation of the Notice of Termination as to any acts or omissions occurring prior to such recordation. The indemnification obligations by Lead Developer and Affordable Developer shall, for each Developer, only apply to its own acts or omissions, or to its own Ownership Parcel(s), as applicable.

ATTACHMENT 15

Intentionally Omitted

ATTACHMENT 16

Form of Air Rights Lease

THE ATTACHED DOCUMENT IS OCII'S STANDARD FORM DOCUMENT, HAS NOT YET BEEN NEGOTIATED BY THE PARTIES, AND IS NOT EFFECTIVE OR BINDING ON THE PARTIES. THE PARTIES INTEND TO NEGOTIATE MUTUALLY ACCEPTABLE REVISIONS TO THIS FORM DOCUMENT PRIOR TO THE DATE REQUIRED FOR THE EXECUTION OF THE AIR RIGHTS LEASE UNDER THE DDA.

ATTACHMENT 16

Form of Air Rights Parcel Lease

AIR RIGHTS PARCEL LEASE

TRANSBAY BLOCK 8 AFFORDABLE PROJECT

by and between the

OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE AS SUCCESSOR AGENCY TO THE SAN FRANCISCO REDEVELOPMENT AGENCY

as Landlord

AND

_____

as Tenant

Dated as of _____

THE ATTACHED DOCUMENT IS OCII'S STANDARD FORM DOCUMENT, HAS NOT YET BEEN NEGOTIATED BY THE PARTIES, AND IS NOT EFFECTIVE OR BINDING ON THE PARTIES. THE PARTIES INTEND TO NEGOTIATE MUTUALLY ACCEPTABLE REVISIONS TO THIS FORM DOCUMENT PRIOR TO THE DATE REQUIRED FOR THE EXECUTION OF THE AIR RIGHTS LEASE UNDER THE DDA.

TABLE OF CONTENTS

ARTICLE 1: DEFINITIONS

1.01 Agency

1.02 Agreement Date

1.03 Area Median Income (or "AMI")

1.04 Co-General Partner

1.05 Construction Documents

1.06 Conversion Date

1.07 Critical Activity(ies)

1.08 Effective Date

1.09 First Mortgage Lender

1.10 First Lease Payment Year

1.11 General Partners

1.12 Air Rights Lease

1.13 Improvements

1.14 Lease Year

1.15 Leasehold Estate

1.16 Leasehold Mortgage

1.17 Lender

1.18 Loan Documents

1.19 Managing General Partner

1.20 MOHCD

1.21 Non-Residential Space

1.22 Non-Residential Tenant

1.23 Occupant

1.24 OCII Loan

1.25 Premises

1.26 Project

1.27 Residential Space

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1.28 Residential Units

1.29 Site

1.30 Subsequent Owner

1.31 Tenant

1.32 Very Low-Income Households

ARTICLE 2: TERM

ARTICLE 3: FINANCING

ARTICLE 4: RENT

4.01 Annual Rent

4.02 Base Rent

4.03 Residual Rent

4.04 Surplus Cash

4.05 Triple Net Lease

ARTICLE 5: OCII COVENANTS

ARTICLE 6: TENANT COVENANTS

6.01 Limited Partnership/Authority

6.02 Use of Site and Rents

6.03 OCII Deemed Beneficiary of Covenants

ARTICLE 7: ANNUAL INCOME COMPUTATION AND CERTIFICATION

ARTICLE 8: CONDITION OF SITE - "AS IS

ARTICLE 9: IMPROVEMENTS AND PERMITTED USES

9.01 Scope of Development and Schedule of Performance

9.02 Permitted Uses and Occupancy Restrictions

9.03 Marketing

ARTICLE 10: CONSTRUCTION OF IMPROVEMENTS

10.01 General Requirements and Rights of City

10.02 OCII Approvals and Limitation Thereof

10.03 Construction to be in Compliance with Construction Documents and Law

10.04 Approval of Construction Documents by OCII

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10.05 Disapproval of Construction Documents by OCII

10.06 Closing Construction Documents to be Approved by OCII

10.07 Issuance of Building Permits

10.08 Performance and Payment Bonds

10.09 OCII Approval of Changes after Commencement of Construction

10.10 Times for Construction

10.11 Force Majeure

10.12 Reports

10.13 Access to Site

10.14 Notice of Completion

ARTICLE 11: COMPLETION OF IMPROVEMENTS

11.01 Certificate of Completion - Issuance

11.02 Certifications to be Recordable

11.03 Certification of Completion - Non-Issuance Reasons

ARTICLE 12: CHANGES TO THE IMPROVEMENTS

12.01 Post Completion Changes

12.02 Definition of Change

12.03 Enforcement

ARTICLE 13: TITLE TO IMPROVEMENTS

ARTICLE 14: ASSIGNMENT, SUBLEASE OR OTHER CONVEYANCE

14.01 Assignment, Sublease or Other Conveyance by Tenant

14.02 Assignment, Sublease or Other Conveyance by Landlord

ARTICLE 15: TAXES

ARTICLE 16: UTILITIES

ARTICLE 17: MAINTENANCE

ARTICLE 18: LIENS

ARTICLE 19: GENERAL REMEDIES

19.01 Application of Remedies

19.02 Notice and Cure Rights for Tenant Limited Partner

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19.03 Breach by OCII

19.04 Breach by Tenant

ARTICLE 20: DAMAGE AND DESTRUCTION

20.01 Casualty

20.02 Distribution of the Insurance Proceeds

20.03 Clean Up of Housing Site

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

21.01 Damage to Person or Property -General Indemnification

21.02 Hazardous Substances -Indemnification

ARTICLE 22: INSURANCE

22.01 Insurance

ARTICLE 23: COMPLIANCE WITH LEGAL REQUIREMENTS

ARTICLE 24: ENTRY

ARTICLE 25: MORTGAGE FINANCING

25.01 No Encumbrances Except for Development or Refinancing Purposes

25.02 Holder Not Obligated to Construct

25.03 Failure of Holder to Complete Construction

25.04 Default by Tenant and OCII's Rights

25.05 Cost of Mortgage Loans to be Paid by Tenant

ARTICLE 26: PROTECTION OF LENDER

26.01 Notification to City

26.02 Lender's Rights to Prevent Termination

26.03 Lender's Rights When Tenant Defaults

26.04 Default Which Cannot be Remedied by Lender

26.05 Court Action Preventing Lender's Action

26.06 Lender's Rights to Record, Foreclose and Assign

26.07 Air Rights Lease Rent After Lender Foreclosure or Assignment

26.08 Permitted Uses After Lender Foreclosure

26.09 Preservation of Leasehold Benefits

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26.10 No Merger

26.11 OCII Bankruptcy

ARTICLE 27: CONDEMNATION AND TAKINGS

27.01 Parties' Rights and Obligations to be Governed by Agreement

27.02 Total Taking

27.03 Partial Taking

27.04 Effect on Rent

27.05 Restoration of Improvements

27.06 Award and Distribution

27.07 Payment to Lenders

ARTICLE 28: ESTOPPEL CERTIFICATE

ARTICLE 29: QUITCLAIM

ARTICLE 30: EQUAL OPPORTUNITY

ARTICLE 31: OCII LABOR STANDARDS PROVISIONS

ARTICLE 32: OCII MINIMUM COMPENSATION AND HEALTH CARE ACCOUNTABILITY POLICY

ARTICLE 33: CONFLICT OF INTEREST

ARTICLE 34: NO PERSONAL LIABILITY

ARTICLE 35: ENERGY CONSERVATION

ARTICLE 36: WAIVER

ARTICLE 37: TENANT RECORDS

ARTICLE 38: NOTICES AND CONSENTS

ARTICLE 39: COMPLETE AGREEMENT

ARTICLE 40: HEADINGS

ARTICLE 41: SUCCESSORS AND ASSIGNS

ARTICLE 42: TIME OF THE ESSENCE

ARTICLE 43: PARTIAL INVALIDITY

ARTICLE 44: APPLICABLE LAW

ARTICLE 45: ATTORNEYS' FEES

ARTICLE 46: EXECUTION IN COUNTERPARTS

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ARTICLE 47: RECORDATION OF MEMORANDUM OF AIR RIGHTS LEASE

ARTICLE 48: ASSIGNMENT

ARTICLE 49: ATTACHMENTS

Attachments

1. Legal Description of Site
2. Memorandum of Air Rights Lease
3. Schedule of Performance
4. Operational Rules for Certificate Holder's Priority
5. Equal Opportunity Program
6. Prevailing Wage Provisions
7. Income Computation and Certification
8. City's Policy on the Inclusion and Funding of Commercial Space in MOH/SFRA-Funded Housing Developments
9. OCII's Minimum Compensation Policy
10. OCII's Health Care Accountability Policy
11. Consent to Leasehold Mortgage
12. Rent Restrictions

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AIR RIGHTS LEASE

This AIR RIGHTS LEASE (this "**Air Rights Lease**" or "**Lease**") is entered into as of _____, ("Agreement Date") by and between the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, the Office of Community Investment and Infrastructure, a public body, organized and existing under the laws of the State of California ("OCII" or the "Landlord"), and _____ (the "Tenant").

RECITALS

A. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code, section 33000 et seq. the "CRL"), the former San Francisco Redevelopment Agency ("Former Agency") would undertake programs for the improvement of blighted areas in the City and County of San Francisco (the "City").

B. The Former Agency, acting through the Board of Supervisors of the City, approved a Redevelopment Plan for the Transbay Redevelopment Project Area (the "Project Area") by Ordinance No. 124-05, adopted on June 21, 2005 and by Ordinance No. 99-06, adopted on May 9, 2006 (the "Redevelopment Plan"). Said Redevelopment Plan was filed in the Office of the Recorder of the City and County of San Francisco (the "Official Records").

C. On December 13, 2006, and in furtherance of the Redevelopment Plan, the Former Agency caused a Declaration of Restrictions affecting all of the Project Area to be recorded in the Official Records, in Book B-103 of Official Records at page 210, as Document No. P-30087 (the "Project Area Declaration of Restrictions").

D. Per the Redevelopment Plan and the Transbay Redevelopment Project Tax Increment and Sales Proceeds Pledge Agreement (the "Pledge Agreement") between the Former Agency, the Transbay Joint Powers Authority (the "TJPA"), and the City and County of San Francisco (the "City"), land sale and net tax increment revenue generated by the parcels in the Project Area that are currently or formerly owned by the State of California

(the "State") has been pledged to the TJPA to help pay the cost of building the Transbay Transit Center. The State-owned parcels include the development sites on Blocks 2 through 9, 11, and 12, and Parcels F, M and T.

E. In 2003, the TJPA, the City, and the State, acting by and through its Department of Transportation ("Caltrans"), entered into a Cooperative Agreement, which sets forth the process for the transfer of the State-owned parcels to the City and the TJPA (the "Cooperative Agreement"). In 2006, the TJPA and the Former Agency entered into the Transbay Redevelopment Project Implementation Agreement (the "Implementation Agreement") which requires the successor agency to the Former Agency (the "Successor Agency") to prepare and sell the formerly State-owned parcels and to construct and fund new infrastructure improvements (such as parks and streetscapes) and affordable housing obligations. Subsequently, in 2008, the TJPA, the City and the Former Agency entered into an Option Agreement for the Purchase and Sale of Real Property (the "Option Agreement"), which sets forth the process for the transfer of certain of these parcels to the Former Agency to facilitate the sale of the parcels to private developers.

F. DESCRIBE RFP AND PARCEL SIZE AND LOCATION

G. DESCRIBE RFP DEVELOPMENT PROGRAM

H. DESCRIBE SELECTION PROCESS/SELECTED TEAM

I. DESCRIBE FINAL DEVELOPMENT PROGRAM

J. On February 1, 2012, the Former Agency was dissolved pursuant to the provisions of California State Assembly Bill No. 1X 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) ("AB 26"), codified in relevant part in California's Health and Safety Code Sections 34161 – 34168 and upheld by the California Supreme Court in California Redevelopment Assoc. v. Matosantos, No. S194861 (Dec. 29, 2011). On June 27, 2012, AB 26 was subsequently amended in part by California State Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) ("AB 1484"). (Together, AB 26 and AB 1484 are referred to as the "Dissolution Law.")

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K. Pursuant to the Redevelopment Dissolution Law, all of the Former Agency's assets (other than housing assets) and obligations were transferred to the Successor Agency. Some of the Former Agency's housing assets were transferred to the City, acting by and through the Mayor's Office of Housing and Community Development ("MOHCD"). The Redevelopment Plan, Development Controls, and other relevant Project Area documents remain in effect.

L. . Under the Redevelopment Dissolution Law, with approval from a successor agency's oversight board and the State of California's Department of Finance, a successor agency may continue to implement "enforceable obligations"—existing contracts, bonds, leases, etc.—which were in place prior to the suspension of redevelopment agencies' activities on June 28, 2011, the date that AB 26 was approved. Redevelopment Dissolution Law defines "enforceable obligations" to include bonds, loans, judgments or settlements, and any "legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy," (Cal. Health & Safety Code Section 34171(d)(1)(E)) as well as certain other obligations, including but not limited to requirements of state law and agreements made in reliance on pre-existing enforceable obligations. The Implementation Agreement, Pledge Agreement and Option Agreement meet the definition of "enforceable obligations" under the Redevelopment Dissolution Law.

M. AB 1484 authorizes successor agencies to enter into new agreements if they are "in compliance with an enforceable obligation that existed prior to June 28, 2011." Cal. Health & Safety Code § 34177.5 (a). Under this limited authority, a successor agency may enter into contracts, such as this Lease, if a pre-existing enforceable obligation requires that action. See also Cal. Health & Safety Code § 34167 (f) (providing that the Redevelopment Dissolution Law does not interfere with an agency's authority under enforceable obligations to "enforce existing covenants and obligations, or . . . perform its obligation."). This Lease, providing a site for the development of affordable housing, is

part of the Successor Agency's compliance with the pre-existing enforceable obligations under the Implementation Agreement and Option Agreement.

N. DESCRIBE INITIAL COMMISSION ACTION ON PROJECT (ENA)

O. DESCRIBE DDA AND COMMISSION APPROVAL DATE

P. On _____ the Oversight Board of the City and County of San Francisco approved an expenditure of up to _____ for funding for the affordable housing projects on _____ 7 through Item No. _____ of the Recognized Obligation Payment Schedule for the period _____ ("ROPS _____"). The California Department of Finance provided final approval of the expenditure for Item No. _____ through its letter dated December 17, 2013.

Q. DESCRIBE TRANSFER OF LAND AND AIR RIGHTS PARCEL.

R. On _____, the Citywide Affordable Housing Loan Committee approved a loan to the Tenant for the development of the Block 6 Affordable Project for an amount not to exceed _____ (the "OCII Loan"). The OCII Loan will include $_____ of predevelopment expenses (the "Predevelopment Amount") paid by _____ and approved by MOHCD and OCII staff as the previously disbursed portion of the loan amount.

S. On _____, the OCII Commission approved the OCII Loan through Resolution No. XX-2014.

T. On _____ the Air Rights Parcel was created and on _____ Master Developer transferred the Air Rights Parcel to OCII.

U. OCII now intends to lease the Air Rights Parcel to Tenant in accordance with the terms of this Lease.

V. For purposes of implementation and to ensure consistency with the City's overall affordable housing goals and priorities, MOHCD is providing project management, loan underwriting, and construction monitoring, including approving and processing loan

disbursements in cooperation with OCII. Upon completion of the Project, OCII intends to transfer the affordable housing loan obligation, asset, and Air Rights Lease to MOHCD as the designated Successor Housing Agency of the City and County of San Francisco under Board Resolution 11-12, as required by Dissolution Law.

NOW THEREFORE, in consideration of the mutual obligations of the parties hereto, OCII hereby leases to Tenant, and Tenant hereby leases from OCII, the Site, for the term, and subject to the terms, covenants, agreements and conditions hereinafter set forth, to each and all of which OCII 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 Air Rights Lease is deemed to be entered into, as set forth on the cover page.

1.03 "Air Rights Lease" means this Air Rights Lease of the Site to the Tenant from OCII, as amended from time to time.

1.04 "Area Median Income" (or "AMI") means 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 MOHCD.

1.05 "Construction Documents" has the meaning given in Section 10.01.

1.06 "Conversion Date" the date that the construction financing on the property converts to permanent financing.

1.07 "Critical Activity(ies)" means an activity or item of Work which, if delayed or extended, will delay Substantial Completion or the Final Completion Date.

1.08 "Effective Date" means the Agreement Date

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1.09 "First Mortgage Lender" means a bank or other entity holding the first deed of trust on the Leasehold Estate, and in the event of the bond financing, the bond trustee (if any) and the entity purchasing the bonds shall both be First Mortgage Lender.

1.10 "First Lease Payment Year" means the year in which the project receives a Certificate of Occupancy for all residential units.

1.11 "General Partners" means Tenant's general partner(s).

1.12 "Improvements" means all physical construction, including all structures, fixtures and other improvements to be constructed on the Site.

1.13 "Lease Year" means each calendar year during the term hereof, beginning on January 1 and ending on December 31.

1.14 "Leasehold Estate" means the estate held by the Tenant pursuant to and created by this Air Rights Lease.

1.15 "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 any Lender, 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 Air Rights Lease and have been approved in writing by the Landlord.

1.16 "Lender" means any entity holding a Leasehold Mortgage.

*1.17 "Loan Documents" **means that certain Tax Increment Loan Agreement, Note, Deed of Trust, Declaration of Restrictions, and any other documents executed or delivered in connection with the OCII Loan, all dated _____, as amended.***

1.18 "MOHCD" shall have the meaning given in Recital _____.

1.19 "Non-Residential Space" means the approximately 2,210 square feet of commercial space located on the ground floor of the Project.

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

1.21 "OCII Loan" has the meaning set forth in Recital _____.

1.22 "Premises" means the Site together with any Improvements thereon.

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1.23 "Project" has the meaning given in Recital ____. If indicated by context, **"Project"** means the leasehold interest in the Site and the fee interest in the Improvements on the Site.

1.24 "Residential Units" has the meaning given in Section 9.02.

1.25 "Site" means the real property shown in the Site Legal Description, 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 following a foreclosure, deed in lieu of foreclosure, or transfer to a Lender, its affiliate, and any successors to any such person or entity.

1.27 "Tenant" means _____ or its permitted successors as holder of the leasehold estate in the Site and fee ownership of the Improvements, including a Subsequent Owner, where appropriate.

1.28 "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 Air Rights 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, it means an attachment to this Air Rights Lease unless otherwise specifically identified. Whenever a section, article or paragraph is referenced, it is a reference to this Air Rights Lease unless otherwise specifically referenced.

ARTICLE 2: TERM

8 Initial Term. The term of this Air Rights Lease shall commence upon the Effective Date (and Tenant shall be entitled to possession of the Site as of such date) and shall end seventy-five (75) years from that date (the "Initial Term"), unless extended pursuant to subsection (b) below.

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(b) Option for Extension. Provided that the Tenant is not in default of the terms of its obligations to the City either at the time of giving of an Extension Notice, as described in subparagraph (c) below, or on the last day of the Initial Term (the "**Termination Date**"), the term of this Air Rights Lease may be extended at the option of the Tenant for one twenty-four (24) year period as provided below.

(c) Notice of Extension. Not later than one hundred eighty (180) days prior to the Termination Date, the Tenant may notify the Landlord in writing that it wishes to exercise its option to extend the term of this Air Rights Lease (an "**Extension Notice**"). The extended term shall be for twenty-four (24) years from the Termination Date, which option the Tenant may exercise only once, for a total Air Rights Lease term of not to exceed ninety-nine (99) years.

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

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 OCII, evidence satisfactory to OCII 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 Air Rights Lease, as is acceptable to the Executive Director of OCII.

ARTICLE 4: RENT

4.01 Annual Rent

(a) Tenant shall pay OCII *an amount equal to 10% of unrestricted value of the parcel* ($_____.00) per year for lease of the Site, consisting of Base Rent and Residual Rent, as defined in Sections 4.02 and 4.03 below and subject to the provisions thereof, without offset of any kind and without necessity of demand, notice or invoice from the Landlord (together, "**Annual Rent**"). OCII has determined that this rent accurately reflects ten percent (10%) of the appraised value of the Site, Annual Rent shall be redetermined on the fifteenth anniversary of the first to occur of (i) the Conversion Date, as that term is defined in the Trust Indenture for the multifamily housing revenue bonds that are being issued as part of the

financing of the Project, or (ii) June 1, 2016. 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 Tenant. Based on the appraised value, the Annual Rent shall be adjusted based on actual value.

(b) If the Tenant elects to extend the term of this Air Rights Lease beyond the Initial Term, Annual Rent 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 and the annual income expected to be generated by the Project. If the parties cannot agree on Annual Rent for the extended term, 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 taking into account the affordable housing restrictions contained in Section 9.02 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, Tenant, in its sole discretion may rescind its extension notice if it does not wish to extend the term of this Air Rights Lease.

4.02 Base Rent

(a) "Base Rent", means, in any given Lease Year commencing with the First Lease Payment Year, Fifteen Thousand Dollars ($15,000). Base Rent shall be due and payable in arrears on January 31st of each Lease Year; provided, however, Base Rent for the First Lease Payment Year shall be due on the January 31st of the following calendar year, and shall be equal to Fifteen Thousand Dollars ($15,000) times the number of days in the First Lease Payment Year, divided by three hundred sixty-five (365); and provided, further, that in the event that the Tenant (other than a Subsequent Owner) fails to comply with the provisions of Section 9.02, Base Rent shall be increased to the full amount of Annual Rent until such time as the Project achieves compliance with the provisions of Section 9.02, and 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) "Project Income" means all income and receipts in any form received by Tenant from the operation of the Project, including rents, fees, deposits (other than tenant security deposits), commercial master lease payments and accrued interest disbursed from any reserve account required under this Lease for a purpose other than that for which the reserve account was established, reimbursements and other charges paid to Tenant in connection with the Project other than the insurance proceeds. Project Income shall not include tenants' security deposits, loan proceeds, capital contributions or similar advances. Except as otherwise provided in Section 26.07(a), if the Project does not have sufficient Project Income to pay Base Rent in any given Lease Year after the payment of Project Expenses in items (a) through (e) in definition of Project Expenses, below, and OCII 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, to the extent available from Surplus Cash in accordance with Section 6.02(f).

(c) "Project Expenses" means the following costs, which may be paid from Project Income in the following order of priority to the extent of available Project Income: (a) all charges incurred in the operation of the Project for utilities, common area maintenance, real estate taxes and assessments and premiums for insurance required under this Lease or by any Lender; (b) salaries, wages and any other compensation due and payable to the employees or agents of Tenant employed in connection with the Project, including all related withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments; (c) required payments of interest and principal, if any, on the senior financing secured by the Site and used to finance the Project that has been approved by OCII; (d) all other expenses actually incurred to cover operating costs of the Project, including maintenance and repairs and the fee of any managing agent; (e) required deposits to the Replacement Reserve Account, Operating Reserve Account and any other reserve account as required under the

Loan Documents; (f) annual Base Rent payments; (g) the approved annual asset management fees indicated in the Annual Operating Budget (as such term is defined in the Loan Documents) and approved by the OCII; and (h) any extraordinary expenses approved in advance by the OCII (other than expenses paid from any reserve account). Project Fees are not Project Expenses. ***MUST BE COMPLIANT WITH MOHCD UNDERWRITING GUIDLEINES AND POLICIES***

(d) "Project Fees" means (i) an annual partnership management fee in the amount of $_____, increasing by 3% annually, less any amounts received as an Asset Management Fee from the Project's Operating Budget, payable to the Tenant's general partners, (ii) an annual investor services fee in the amount of $_____, increasing annually by 3 %, payable to Tenant's limited partners, (iii) issuer fees of $_____ per year with no annual increases; and (iv) deferred developer fees approved by the Lender pursuant to the Loan Documents. ***MUST BE COMPLIANT WITH MOHCD UNDERWRITING GUIDLEINES AND POLICIES***

(c) There shall be a late payment penalty of two percent (2%) for each month or any part thereof if Base Rent payment is delinquent. This penalty shall not apply to Base Rent Accrual pursuant to Section 4.02(b). The Tenant may request in writing that OCII 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. OCII 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 such failure to pay.

4.03 Residual Rent

"**Residual Rent**" means, in any given Lease Year, *an amount equal to Annual Rent – Base Rent* ($_____.00), subject to adjustment as provided in Sections 4.01(a) and (b). Residual Rent shall be due in arrears on or before June 1st of each Lease Year commencing with the First Lease Payment Year; provided however, Residual Rent for the First Lease Payment

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Year shall be due on the June 1st of the following calendar year, and shall be equal to *an amount equal to Annual Rent – Base Rent* ($_____.00) times the number of days in the First Lease payment Year divided by three hundred sixty five (365). 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(f), 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 OCII any supporting documentation reasonably requested by OCII to allow OCII to verify the insufficiency.

4.04 Surplus Cash

"**Surplus Cash**" means all Project Income in any given Lease Year remaining after payment of Project Expenses and Project Fees. The amount of Surplus Cash will be based on figures contained in audited financial statements. Distributions of Surplus Cash shall not exceed the amount of unrestricted cash at the end of Tenant's fiscal year. All permitted uses and distributions of Surplus Cash shall be governed by Section 6.02(f) of this Air Rights Lease.

4.05 Triple Net Lease

This Air Rights Lease is a triple net lease and the Tenant shall be responsible to pay all costs, charges, taxes, impositions and other obligations related thereto. If OCII pays any such amounts, whether to cure a default or otherwise protect its interests hereunder, OCII 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 OCII. Failure to timely pay the additional rent shall be an Event of Default, subject to applicable notice and cure periods.

ARTICLE 5: OCII COVENANTS

OCII covenants and warrants that the Tenant and its subtenants 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 Air Rights Lease. Landlord represents that it is lawfully acting as the successor public

agency to the Agency and is the fee simple owner of the Site. All necessary actions by any board of directors, managers, or other applicable persons necessary for the due authorization, execution, delivery and performance of this Air Rights Lease by the Landlord have been duly taken.

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 Air Rights Lease.

6.02 Use of Site and Rents

During the term of this Air Rights 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, devote the Site to, exclusively and in accordance with, the uses specified in this Air Rights Lease, as specified in Article 9 hereof, which are the only uses permitted by this Air Rights 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 easily legible size and design.

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) 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(f) Permitted Uses of Surplus Cash

All annual Project Income shall be used to pay Project Expenses, including, but not limited to Base Rent, and Project Fees. Any cash remaining after payment of each and all of the above-mentioned obligations shall be deemed Surplus Cash. Provided Tenant is not currently in default (subject to applicable notice and cure periods) under the terms of this Air Rights Lease, Tenant shall use Surplus Cash to make the following payments:

The lesser of one-third of remaining Surplus Cash or $50,000 shall be paid to Tenant as an incentive management fee. The remaining Surplus Cash shall be paid to OCII ("OCII's Portion"). OCII's Portion of Surplus Cash will be applied first to Accrued Base Rent, and then toward repayment of the outstanding OCII Loan until the entire principal is repaid on such loan and the remaining balance of OCII's Portion shall go toward Residual Rent.

Upon cure of any default under this Air Rights Lease, Tenant shall be permitted to make payments of Surplus Cash as provided in this Section 6.02(f).

6.03 OCII Deemed Beneficiary of Covenants

In amplification, and not in restriction, of the provisions of the preceding subsections, it is intended and agreed that OCII shall be deemed beneficiary of the agreements and covenants provided in this Article 6. Such agreements and covenants shall run in favor of OCII for the entire period during which such agreements and covenants shall be in force and effect, without regard to whether OCII 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. OCII 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 may be entitled.

ARTICLE 7: ANNUAL INCOME COMPUTATION AND CERTIFICATION

Forty-five (45) days after recordation of a Notice of Completion by the Tenant for the Project, and on May 31st of each year thereafter, Tenant will furnish to OCII 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, subject to all applicable local, state and federal laws limiting or restricting the disclosure of such information. If any state or federal agency requires an income certification for Occupants of the Improvements containing the above-referenced information, OCII agrees to accept such certification in lieu of Attachment 8 as meeting the requirements of this Air Rights Lease.

ARTICLE 8: CONDITION OF SITE - "AS IS"

Neither OCII, nor any employee, agent or representative of OCII 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 Air Rights Lease, and the Tenant understands and agrees that OCII 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 as approved by the City, in accordance with the Schedule of Performance, Attachment 3, subject to force majeure.

9.02 Permitted Uses and Occupancy Restrictions

The permitted uses of the Project are limited to sixty-nine (69) residential dwelling units, plus one (1) manager's unit ("Residential Units"), ground floor common areas, and the Non-Residential Space. Upon the completion of construction, one hundred percent (100%) of the Residential Units, with the exception of the manager's unit, in the Project shall be occupied or held vacant and available for rental by Very Low Income-Households. Rent levels shall comply with the rent levels established in Attachment 12.

9.03 Marketing

Marketing of the units shall comply with the marketing requirements established in Article 6 "Marketing" in the Loan Agreement, including conformance with MOHCD's Certificate of Preference Program (as described in Attachment 4 to this Lease) for as long as it is in existence.

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 the Loan Documents and this Air Rights Lease, including any limitations established in OCII's approval of the

schematic drawings, if any, preliminary construction documents, and final construction documents for the Project, 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 OCII Approvals and Limitation Thereof

The Construction Documents must be approved by OCII in the manner set forth below:

10.02(a) Compliance with Redevelopment Plan and Air Rights Lease

OCII's approval with respect to the Construction Documents is limited to determination of their compliance with the Loan Documents and this Air Rights Lease, including, if applicable, the scope of development (these documents are for convenience sometimes called "Redevelopment Requirements"). The Construction Documents shall be subject to general architectural review and guidance by OCII as part of this review and approval process.

10.02(b) OCII Does Not Approve Compliance with Construction Requirements

OCII'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) OCII Determination Final and Conclusive

OCII'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 Approved Documents

The construction shall be in substantial compliance with the OCII-approved Construction Documents.

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

THE ATTACHED DOCUMENT IS OCII'S STANDARD FORM DOCUMENT, HAS NOT YET BEEN NEGOTIATED BY THE PARTIES, AND IS NOT EFFECTIVE OR BINDING ON THE PARTIES. THE PARTIES INTEND TO NEGOTIATE MUTUALLY ACCEPTABLE REVISIONS TO THIS FORM DOCUMENT PRIOR TO THE DATE REQUIRED FOR THE EXECUTION OF THE AIR RIGHTS LEASE UNDER THE DDA.

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

10.04 Approval of Construction Documents by OCII

Tenant shall submit and OCII shall approve or disapprove the Construction Documents referred to in this Air Rights Lease within the times established in the Schedule of Performance. Failure by OCII 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 any Critical Activities delayed as a direct result of Landlord's failure to timely approve or disapprove the Construction Documents.

10.05 Disapproval of Construction Documents by OCII

If OCII disapproves the Construction Documents in whole or in part as not being in compliance with Redevelopment Requirements or this Air Rights 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 the City) no later than the date specified therefor in the Schedule of Performance.

10.06 Closing Construction Documents To Be Approved by OCII

The final Construction Documents, including all drawings, specifications and other related documents necessary for the construction of the Improvements in accordance with the requirements of this Air Rights Lease must be approved by OCII (the "Closing Construction Documents"). Notwithstanding anything to the contrary contained in this Article 10, OCII hereby acknowledges that the Construction Documents and the Closing Construction Documents were approved by OCII prior to the date of this Air Rights Lease.

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. Tenant shall report permit status every thirty (30) days to the City. Failure to timely file and to diligently pursue issuance of permits shall be a breach of this Air Rights Lease.

(b) The Tenant is advised that the Central Permit Bureau will forward all building permits to OCII for approval of compliance with Redevelopment Requirements. Since the City's review of Construction Documents is limited (see Section 10.02a, above), its approval of compliance with Redevelopment Requirements is similarly limited and does not include Section 10.02b matters. City 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.

10.08 Performance and Payment Bonds

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

10.09 OCII Approval of Changes after Commencement of Construction

Once construction has commenced, the only Construction Document matters subject to further review by OCII will be requests for any material changes in the Construction Documents which affect matters previously approved by OCII. For purposes of determining materiality in the Construction Documents, any single change order of Ten Thousand Dollars ($10,000) or more in value and any change order which causes the aggregate value of all change orders to exceed One Hundred Thousand Dollars ($100,000) shall be considered material and require OCII's prior written approval unless waived by the City. Unless otherwise specified by OCII in writing, permission to make such changes shall be requested by Tenant in writing directed to the OCII Housing Manager (or to such other person as may be designated from time to time by OCII), and the MOHCD Construction Manager. OCII shall reply in writing giving approval or

disapproval of the changes within ten (10) business 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, unless such dates are extended by OCII, force majeure or Landlord's default.

10.11 Force Majeure

For the purposes of any of the provisions of this Air Rights Lease, neither OCII 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 (excluding OCII, MOHCD and the City), 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 Air Rights 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; and, provided further, that this paragraph shall not apply to, and nothing contained in this paragraph shall extend or shall be construed to extend, the time of performance of any of

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Tenant's obligations to be performed prior to the commencement of construction, nor shall the failure to timely perform pre-commencement of construction obligations extend or be construed to extend Tenant's obligations to commence, prosecute and complete construction of the Improvements in the manner and at the times specified in this Air Rights Lease.

10.12 Reports

Subsequent to commencement of construction of the Improvements and until completion, Tenant shall make a report in writing to OCII every three (3) months, in such detail as may reasonably be required by OCII, as to the actual progress of the Tenant with respect to such construction. During such period, the work of the Tenant shall be subject to inspection by representatives of OCII, at reasonable times and upon reasonable advance notice.

10.13 Access to Site

Tenant shall permit access to the Site to OCII whenever and to the extent necessary to carry out the purposes of the provisions of this Air Rights Lease, at reasonable times and upon reasonable advance notice of no less than twenty four (24) hours and subject to the rights ot tenants under any applicable leases or subleases.

10.14 Notice of Completion

Promptly upon completion of the construction of the Improvements in accordance with the provisions of this Air Rights Lease, Tenant shall submit to OCII for approval a Notice of Completion ("**NOC**"), and record such approved NOC in the San Francisco Recorder's Office. Tenant shall provide OCII with a copy of the recorded NOC.

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 Air Rights Lease, within fifteen (15) days following the request of Tenant, OCII will furnish Tenant with an appropriate instrument so certifying. Such certification by OCII shall be a conclusive determination of satisfaction and termination of the agreements and covenants of this Air Rights Lease with respect to the obligation of Tenant, and its successors

and assigns, to construct the Improvements in accordance with approved Closing Construction Documents and the dates for the beginning and completion thereof; provided, however, 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 OCII issuance of any Certificate of Completion does not relieve Tenant or any other person or entity from any and all OCII 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 Recorder of the City.

11.03 Certification of Completion - Non-Issuance Reasons

If OCII shall refuse or fail to provide any certification in accordance with the provisions of Section 11.01, OCII shall provide Tenant with a written statement, within fifteen (15) days after receipt of the original 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 Air Rights Lease or is otherwise in default hereunder and what measures or acts will be necessary, in the opinion of OCII, for Tenant to take or perform in order to obtain such certification.

ARTICLE 12: CHANGES TO THE IMPROVEMENTS

12.01 Post Completion Changes OCII 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 Air Rights Lease, neither Tenant, nor any voluntary or involuntary successor or assign, shall make or permit any Change in the Improvements, as Change is hereinafter defined, unless the express prior written consent for any Change shall have been requested in writing from OCII and obtained, and, if obtained, upon such terms

and conditions as OCII may reasonably require. OCII agrees not to withhold or delay its response to such a request unreasonably.

12.02 Definition of Change

"**Change**" as used in this Article means any material 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 Air Rights Lease, and shall include without limitation the exterior design, exterior materials and/or exterior color, and/or relocation or removal of either the control room, the transformer room, or both. For purposes of the foregoing, exterior shall mean and include the roof of the Improvements. Notwithstanding the foregoing, nothing in this Section 12.02 shall be construed to restrict the Tenant's and its subtenants right to (i) make non-material interior modifications, including, without limitation, modifications to and substitutions of interior décor, or repairs to or replacements of fixtures, appliances and other equipment relating to the Site or Improvements in the normal course of operation and maintenance of the Premises as long as such replacements are of similar quality and provide the same level of service, or (ii) make or perform any repairs or modifications in an emergency situation in which a delay in such repairs or modifications could pose a safety hazard to tenants, the public, or adjoining property owners.

12.03 Enforcement

OCII 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 threatened breach thereof or 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 Air Rights Lease, subject to Section 14.01 below. Subject to the rights of any Lenders and as further consideration for OCII entering into this Air Rights Lease, at the expiration or earlier termination of this Air Rights Lease, fee title to all the Improvements shall

vest in OCII without further action of any party, without any obligation by OCII to pay any compensation therefor to Tenant and without the necessity of a deed from Tenant to OCII.

ARTICLE 14: ASSIGNMENT, SUBLEASE OR OTHER CONVEYANCE

14.01 Assignment, Sublease or Other Conveyance by Tenant

Subject to Article 26, Tenant may not (i) sell, assign, convey, sublease, or transfer in any other mode or form all or any part of its interest in this Air Rights Lease or in the Improvements or any portion thereof, other than to Lender(s) or the Non-Residential Tenant, 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 and, as applicable, use of the Non-Residential Space, or (ii) contract or agree to do any of the same, without the prior written approval of OCII, which approval shall not be unreasonably withheld or delayed. Tenant may sell, assign, convey, sublease or transfer its interests in this Air Rights Lease and in the Improvements to an affiliate of _____, or its successor in interest with thirty (30) days' prior written notice to OCII.

OCII reserves the right to review and approve the form of any leases or subleases for the Non-Residential Space, which approval shall not be unreasonably withheld, conditioned or delayed. The parties agree that if the uses in the Non Residential Space changes the parties will meet and confer to determine if the City's Policy of Commercial Space in City/OCII Funded Housing Developments would apply and if so the provisions of the policy will be applied.

14.02 Assignment, Sublease or Other Conveyance by Landlord

The parties acknowledge that any sale, assignment, transfer or conveyance of all or any part of OCII's interest in the Site, the Improvements, or this Air Rights Lease, is subject to this Air Rights Lease. OCII will not encumber its fee interest in the Site. OCII will require that any purchaser, assignee or transferee expressly assume all of the obligations of OCII under this Air Rights Lease by a written instrument recordable in the Official Records of the City. This Air Rights Lease shall not be affected by any such sale, and Tenant shall attorn to any such purchaser or assignee. In the event that OCII intends to sell all or any part of the Site, OCII 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.

ARTICLE 15: TAXES

Tenant agrees to pay, or cause to be paid, prior to delinquency to the proper authority, any and all valid taxes, assessments and similar charges imposed on the Site during the term of this Air Rights Lease, including all taxes levied or assessed on the possession, use or occupancy, as distinguished from the ownership, of the Site, which shall be paid by Landlord. Tenant shall not be required to pay or discharge any taxes that are based on net or gross income (including any capital gain) or any value added, franchise, estate, inheritance, capital, doing business or similar taxes of the Landlord. 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 OCII. In the event of any such contest, Tenant shall protect, defend and indemnify OCII against all loss, cost, expense or damage resulting therefrom, 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. OCII shall furnish such information as Tenant shall reasonably request in connection with any such contest provided that such information is otherwise available to the public. The City hereby consents to Tenant applying for and obtaining any applicable exemptions from taxes or assessments levied on the Site or on Tenant's interest in the Site.

Tenant shall have no obligation under this Section prior to the Effective Date, including but not limited to any taxes, assessments or other charges levied against the Property which are incurred prior to the Effective Date.

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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 OCII 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. OCII shall join in the conveyance of grants of easement reasonably necessary for such utilities and the development of the Premises.

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 to the reasonable satisfaction of OCII, 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. OCII 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 improvements now or hereafter located thereon.

ARTICLE 18: LIENS

Tenant shall use its best efforts to keep the Premises 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) business days following written notice from OCII of the imposition of any such lien, OCII 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 OCII for such purpose, and all reasonable expenses incurred by it in connection therewith, shall be payable to OCII by Tenant on demand; provided, however, OCII shall have the right, upon posting of an adequate bond or

other security, to contest any such lien, and OCII shall not seek to satisfy or discharge any such lien unless Tenant has failed so to do within ten (10) business days after the final determination of the validity thereof. In the event of any such contest, Tenant shall protect, defend, and indemnify OCII against all loss, cost, expense or damage resulting therefrom. The provisions of this Section shall not apply prior to the Effective Date or to any liens arising prior to the Effective Date.

ARTICLE 19: GENERAL REMEDIES

19.01 Application of Remedies

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

19.02 Notice and Cure Rights for Tenant Limited Partner

(a) OCII may not exercise its remedies under this Air Rights Lease for a default by the Tenant unless and until (i) OCII has given written notice of any such default, in accordance with the notice provisions of Article 39, to Tenant and the "Permitted Limited Partner" identified in Article 39, and any other limited partners who have requested notice as set forth below (collectively, the "Permitted Limited Partners"), and (ii) such default has not been cured within sixty (60) days following the giving of such notice or, if such default cannot be cured within such sixty (60) day period, such longer period as is reasonably necessary to cure such default, provided that such cure has been commenced within such sixty (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 a general partner of the Tenant is in bankruptcy, any cure period will be tolled during the pendency of such automatic stay.

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

(c) Any limited partner, other than the limited partner identified in Article 39, wishing to become a Permitted Limited Partner must provide five (5) days written notice to OCII

in accordance with the notice provisions of this Air Rights Lease, setting forth a notice address and providing a copy of such notice to the Tenant and all of the Tenant's general partners. Such limited partner will become a Permitted Limited Partner upon the expiration of the five (5) 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 OCII

If Tenant believes a material breach of this Air Rights Lease has occurred, Tenant shall first notify OCII in writing of the purported breach, giving OCII sixty (60) days from receipt of such notice to cure such breach. In the event OCII 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 Air Rights Lease with the written consent of each Lender; (ii) prosecuting an action for damages; (iii) seeking specific performance of this Air Rights Lease; or (iv) any other remedy available at law or equity.

19.04 Breach by Tenant

19.04(a) Default by Tenant

The following events, if not cured in the time periods set forth in Section 19.04(b) or this subparagraph (a) shall each constitute an "Event of Default" hereunder:

(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 Air Rights Lease or any rights in this Air Rights Lease, or in the Improvements, except as permitted by this Air Rights Lease;

(3) Tenant, or its successor in interest, shall fail to pay taxes or assessments in accordance with Article 15, or shall place on the Site any encumbrance or lien in violation of this Air Rights Lease, or shall suffer any levy or attachment to be made, or any material supplier's or

mechanic's lien or any other encumbrance or lien to attach in violation of the terms of this Lease, and such taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged in accordance with the terms of this Lease; 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 OCII 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 defraud 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 ninety (90) days thereafter; or, a receiver is appointed for a substantial part of the assets of Tenant and such receiver is not discharged within ninety (90) days;

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

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

19.04(b) Notification and OCII Remedies

Upon the occurrence of any Event of Default, OCII 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, the Permitted Limited Partners or any Lender 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, OCII 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 Air Rights Lease; (2) prosecuting an action for damages; or (3) seeking specific performance of this Air Rights Lease; or (4) in the case of an Event of Default under Section 19.04(a)(1), increasing the Base Rent to the full amount of the Annual Rent.

19.04(c) Limitation on OCII Remedies

Notwithstanding the various remedies of OCII pursuant to this Section 19.04 or any other provision of this Air Rights Lease, OCII shall not have the right to terminate the Air Rights Lease during the "compliance period" (as defined in Section 42 of the Internal Revenue Code, as amended) of the Project.

ARTICLE 20: DAMAGE AND DESTRUCTION

20.01 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 twenty five percent (25%) 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, subject to any consent rights of Lender, if any, may terminate this Air Rights 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 Air Rights Lease shall, subject to the 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 OCII 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 Air Rights 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 divided among OCII, Tenant

and any Lender in accordance with the provisions of Section 20.02. In the event Tenant is required or elects to restore the Improvements, the Tenant is hereby authorized and may enter into a settlement or consent to an adjustment of an insurance award, in its name and/or in the name of the Landlord, relating to such casualty, subject to any Lender's consent rights, if any.

20.02 Distribution of the Insurance Proceeds

In the event of an election by Tenant to terminate and surrender as provided in Section 20.01, 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; and,

(c) The remainder to Tenant.

20.03 Clean Up of Housing Site

In the event the Tenant terminates this Air Rights Lease pursuant to the provisions of Sections 20.01 and the proceeds of any insurance policy are insufficient to pay the clean-up and other costs described in Section 20.02(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 SUBSTANCES; INDEMNIFICATION

21.01 Damage to Person or Property -General Indemnification

OCII 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 during the term of this Air Rights Lease. Tenant shall defend, hold harmless and indemnify the

OCII,the City and their 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, 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 OCII, the City or any of their 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 by the person or entity seeking such indemnity.

21.02 Hazardous Substances –Indemnification

(a) Tenant shall indemnify, defend, and hold OCII, the City and their respective 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 (a) a violation of any Environmental Law occurring during the term of this Air Rights Lease caused by Tenant, its employees, agents, affiliates or contractors, or (b) any Tenant Environmental Condition (as defined herein below); provided, however, that this Section 21.02(a) shall not be deemed or construed to, and shall not impose an obligation on Tenant to indemnify and save harmless the Indemnified Parties 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 by any Indemnified Party.

(b) Landlord shall indemnify, defend, and hold the Tenant and its successors, employees, affiliates, agents, representatives and contractors (individually, a "Tenant Indemnified Party" and collectively, the "Tenant 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 Tenant Indemnified Party in connection with, arising out of, in response to, or in any manner relating to a violation of any Environmental Law or Release of Hazardous Substances at the Site first existing or occurring prior to the Effective Date.

(c) 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 §25316 and §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 at concentrations or levels naturally occurring on the Site or that are customarily used (in compliance with Environmental Laws) in apartment complexes or senior centers.

(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 construction of the Improvements.

(iii) "Release" shall mean any spilling, 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.

(iv) "Tenant Environmental Condition" shall mean the Release or threatened Release of Hazardous Substance and any condition of pollution, contamination or Hazardous-

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Substance-related nuisance at, on, under or from the Site which first exists or first occurs after the Effective Date and is caused by Tenant, or Tenant's employees, agents, affiliates or contractors.

ARTICLE 22: INSURANCE

22.01 Insurance

Subject to approval by the City's Risk Manager of the insurers and policy forms Tenant must obtain and maintain, or caused to be maintained, the insurance and bonds as set forth below throughout the Compliance Term of this Agreement at no expense to the OCII:

a. Tenant, Contractors.

(a) to the extent Tenant or its contractors and subcontractors have "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars ($1,000,000) each accident;

(b) commercial general liability insurance, with limits set forth below, combined single 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; broad form property damage; explosion, collapse and underground (XCU); products and completed operations, as follows:

(i) not less than One Million Dollars ($1,000,000) combined single limit per occurrence and Two Million Dollars ($2,000,000) annual aggregate limit before the start of demolition/construction if the Site is unoccupied;

(ii) not less than Five Million Dollars ($5,000,000) combined single limit per occurrence and Ten Million Dollars ($10,000,000) annual aggregate limit during demolition/construction and occupancy of the Site/ongoing operations of the Project;

(c) business 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, hired and non-owned auto coverage, as applicable;

(d) professional liability insurance for all architects employed in connection with the Project, with limits not less than Two Million Dollars ($2,000,000) (or, in the case of

any other professionals, $1,000,000) each claim and Four Million Dollars ($4,000,000) annual aggregate limit for architects and Two Million ($2,000,000) annual aggregate for any other professionals with respect to negligent acts, errors or omissions in connection with professional services to be provided in connection with the Project. Any deductible over Fifty Thousand Dollars ($50,000) each claim must be reviewed by Risk Management; and

(e) crime policy or fidelity bond covering Tenant's officers and employees against dishonesty with respect to the Funds, in the amount of Seventy Five Thousand Dollars ($75,000) each loss, with any deductible not to exceed Five Thousand Dollars ($5,000) each loss, including the OCII as additional obligee or loss payee.

(f) 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.

b. Property Insurance. Tenant must maintain, or cause its contractors and property managers, as appropriate for each, to maintain, insurance and bonds as follows:

(a) during the course of any construction, builders' risk insurance, special form coverage, excluding earthquake and flood, for one hundred percent (100%) of the replacement value of all completed improvements and OCII property in the care, custody and control of Borrower or its contractor, including coverage in transit and storage off-site, with a deductible not to exceed Ten Thousand Dollars ($10,000) each loss, including OCII and all subcontractors as loss payees;

(b) after completion of construction, property insurance, special form coverage, excluding earthquake and flood, but including vandalism and malicious mischief, for one hundred percent (100%) of the replacement value of all furnishings, fixtures, equipment, improvements, alterations and property of every kind located on or appurtenant to the Site, including coverage for loss of rental income due to an insured peril for twelve (12) months, with a deductible not to exceed Twenty Five Thousand Dollars ($25,000) each loss, including OCII as a named insured;

(c) boiler and machinery insurance, comprehensive form, in the amount of replacement value of all insurable objects, with any deductible not to exceed Ten Thousand Dollars ($10,000) each loss, including OCII as a named insured; and

(d) during construction and/or rehabilitation, performance and payment bonds of contractors, each in the amount of one hundred percent (100%) of contract amounts, naming OCII and Tenant as dual obligees, or other completion security approved by OCII in its sole discretion.

c. Non-Residential/Commercial Space. Tenant must require that all nonresidential tenants' liability insurance policies include Tenant and OCII as additional insureds, as their respective interests may appear. Throughout the term of any lease of Commercial Space in the Project, Tenant must require commercial tenants to maintain insurance as follows:

(a) to the extent the tenant has "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars ($1,000,000) each accident;

(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 coverage for contractual liability; personal injury; advertisers' liability; including coverage for loss of income due to an insured peril for twelve (12) months; owners' and contractors' protective; broadform property damage; explosion, collapse and underground (XCU); products and completed operations coverage;

(c) business 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, hired and non-owned auto coverage, as applicable;

(d) with respect to any tenant who has (or is required by Law to have) a liquor license and who is selling or distributing alcoholic beverages and/or food products on the leased premises, to maintain liquor and/or food products liability coverage with limits not less than One Million Dollars ($1,000,000), as appropriate;

(e) special form property damage insurance, including vandalism and malicious mischief, in the amount of 100% of the full replacement cost thereof, covering all furnishings, fixtures, equipment, leasehold improvements, alterations and property of every kind of the tenant and of persons claiming through the tenant; and

(f) full coverage plate glass insurance covering any plate glass on the commercial space.

d. General Requirements.

(a) General and automobile liability policies ofTenant, contractors, commercial tenants and property managers must include OCII, including its Boards, commissions, officers, agents and employees, as an additional insured by endorsement acceptable to OCII.

(b) Tenant shall provide thirty (30) days' advance written notice to OCII of cancellation of all policies required by this Air Rights Lease for any reason, nonrenewal or reduction in coverage and specific notice mailed to OCII's address with a copy to MOHCD for notices pursuant to Article 38. t

(c) With respect to any property insurance, Tenant hereby waives all rights of subrogation against OCII to the extent of any loss covered by Borrower's insurance, except to the extent subrogation would affect the scope or validity of insurance.

(d) Approval of Tenant's insurance by OCII will not relieve or decrease the liability of Tenant under this Agreement.

(e) Any and all insurance policies called for herein must contain a clause providing that OCII and its officers, agents and employees will not be liable for any required premium.

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

(g) All liability policies must provide that the insurance is primary to any other insurance available to the additional insureds with respect to claims arising out of thisLease, and that insurance applies separately to each insured against whom claim is made or suit is brought and that an act of omission of one of the named insureds that would void or otherwise reduce coverage will not void or reduce coverage as to any other insured, but the inclusion of more than one insured will not operate to increase the insurer's limit of liability.

(h) Any policy in a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs are included in the general annual aggregate limit must be in amounts that are double the occurrence or claims limits specified above.

(i) All claims based on acts, omissions, injury or damage occurring or arising in whole or in part during the policy period must be covered. If any required insurance is provided under a claims-made policy, coverage must be maintained continuously for a period ending no less than three (3) years after recordation of a notice of completion for builder's risk or the Compliance Term for general liability and property insurance.

(j) Tenant must provide OCII with copies of insurance certificates and endorsements for each required insurance policy.

ARTICLE 23: COMPLIANCE WITH LEGAL REQUIREMENTS

Tenant shall at its sole 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 OCII against all loss, cost, expense or damage resulting from noncompliance.

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ARTICLE 24: ENTRY

OCII and its authorized agents shall have the right at all reasonable times during normal business hours and after forty-eight (48) hours written notice to Tenant (except in the event of an emergency when no written notice is required) and subject to the rights of tenants under leases or subleases of the Premises, to go on the Site for the purpose of inspecting the same or for the purpose of posting notices of nonresponsibility, or for police or fire protection.

ARTICLE 25: MORTGAGE FINANCING

25.01 No Encumbrances Except for Development or Refinancing Purposes

Notwithstanding any other provision of this Air Rights Lease and subject to the prior written consent of OCII, which consent shall not be unreasonably withheld or delayed, Leasehold Mortgages (and encumbrances related to such Leasehold Mortgages or required by Project lenders, equity investors or HUD, including, but not limited to use agreements and regulatory agreements) are permitted to be placed upon the Leasehold Estate only for the purpose of securing loans of funds to be used for: (i) financing the acquisition, design, renovation, reconstruction, or construction of the Improvements; (ii) refinancing; and (iii) any other expenditures reasonably necessary and appropriate to acquire, own, develop, construct, renovate, or reconstruct the Improvements under this Air Rights 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 Air Rights Lease. Landlord approves U.S. Bank National Association. as trustee for Silicon Valley Bank, as the bond purchaser and the loan secured by the construction and permanent Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing of even date herewith, is deemed an approved Leasehold Mortgage.

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 Air Rights 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 Air Rights 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. 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; provided, however, in such event Holder or any Subsequent Owner shall negotiate in good faith revisions to the approved plans, specifications and Schedule of Performance to the extent necessary or desirable to preserve the economic and practical feasibility of the Project.

25.03 Failure of Holder to Complete Construction

In any case where six (6) months after assumption of obligations pursuant to Section 25.02 above, a Lender, having first exercised its option to complete the construction, has not proceeded diligently with the resumption or prepatory activities in order to complete construction, OCII shall be afforded the rights against such Holder it would otherwise have against Tenant under this Air Rights Lease for events or failures occurring after such assumption.

25.04 Default by Tenant and OCII's Rights

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

In the event of an Event of 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 in accordance with Section 19.02, Landlord may, at its option, cure such breach or default at any time prior to one hundred nineteen (119) days after the date on which the Lender files a notice of default. In such event, OCII shall be entitled to reimbursement from Tenant of all costs and expenses reasonably incurred by OCII in curing the default or breach. OCII shall also be entitled to a lien upon the Leasehold Estate or any portion thereof to the extent of such costs and disbursements. Any such lien shall be subject to the lien of any then existing Leasehold Mortgage authorized by this Air Rights 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 and expiration of all applicable cure periods of Tenant under the terms of the applicable loan documents, the City, if such default shall remain uncured, or if Tenant shall not have begun prosecution of such cure, OCII shall also have the right to assign Tenant's interest in the Air Rights 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 OCII

Tenant shall use commercially reasonable efforts to require Lender to give OCII prompt written notice of any such default or breach and each Leasehold Mortgage shall so provide and shall also contain the OCII'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 OCII

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 OCII of the Lender's address and of the existence and nature of its Leasehold Mortgage. The address of the initial Lenders' address is set forth in Article 38 hereof. Execution of Attachment 11 shall constitute OCII's acknowledgement of Lender's having given such notice as is required to obtain the rights and protections of a Lender under this Air Rights Lease. OCII hereby acknowledges that the First Mortgage Lender and OCII are deemed to have given such written Notice.

THE ATTACHED DOCUMENT IS OCII'S STANDARD FORM DOCUMENT, HAS NOT YET BEEN NEGOTIATED BY THE PARTIES, AND IS NOT EFFECTIVE OR BINDING ON THE PARTIES. THE PARTIES INTEND TO NEGOTIATE MUTUALLY ACCEPTABLE REVISIONS TO THIS FORM DOCUMENT PRIOR TO THE DATE REQUIRED FOR THE EXECUTION OF THE AIR RIGHTS LEASE UNDER THE DDA.

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 Air Rights 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 Air Rights 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 Air Rights Lease occur, and not be cured within the applicable cure period, OCII shall not terminate this Air Rights 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 OCII 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 OCII to terminate this Air Rights Lease as the result of the occurrence of any such Event of Default shall be subject to, and conditioned upon, OCII 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 Air Rights Lease which in the nature thereof cannot be remedied by Lender (including all amounts due from Tenant to Landlord in respect to damages, indemnifications or other monetary amounts, other than Annual Rent, arising from the action or inactions of Tenant) shall be deemed to be remedied if (i) within sixty (60) days after receiving notice from the OCII 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 Air Rights 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 Air Rights 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 Air Rights Lease is terminated or rejected by Tenant in bankruptcy, OCII agrees to enter into a new Air Rights Lease with the Lender on the same terms set forth in this Air Rights Lease. And specifically provided that in the event the Lease is terminated for any reason, including, without limitation, a termination or rejection through any bankruptcy proceeding or a foreclosure transferee becomes the legal owner of Tenant's interest in the Property, and upon written request by the most senior Lender or the Subsequent Owner thereof given within sixty (60) days after such termination or acquisition by Subsequent Owner of

Tenant's interest in the Project, as applicable, Landlord shall enter into a new lease of the Project (the "New Lease") with such Lender or the Subsequent Owner for the remainder of the Lease term with the same agreements, covenants, reversionary interests and conditions (except for any requirements which have been fulfilled by Tenant prior to termination) as are contained in the Lease and the New Lease shall be recorded with a priority equal to the recording priority of the Lease.

26.06 Lender's Rights to Record, Foreclose and Assign

OCII 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; provided however that: (a) except with respect to affiliates of a Lender, Lender obtains prior written approval from OCII with respect to the selection of the assignee, which approval shall not be unreasonably withheld; and (b) if the proposed assignee intends to elect to maintain the use restrictions of Section 9.02, said assignee must 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 would, if leased by such entity, 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, or an affiliate, shall become the assignee, may sell and assign said Leasehold Estate subject to OCII approval as to the assignee or purchaser, which shall not be unreasonably withheld, and to the OCII's rights under Article 25; and

(ii) each Subsequent Owner shall take the Leasehold Estate subject to all of the provisions of this Air Rights 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 Air Rights Lease, assume all of the obligations of Tenant under this Air Rights Lease; provided, however, the Subsequent Owner may operate and maintain the _____ (___) Residential Units without any limitations on the rents charged or the income of the occupants thereof.

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

(iv) any Permitted Limited Partners of Tenant shall have the same rights as any Lender under Sections 26.02, 26.03, 26.04 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 Air Rights Lease Rent after Lender Foreclosure or Assignment

Upon foreclosure of a Leasehold Mortgage or assignment of the Leasehold Estate in lieu of such foreclosure, (i) any accrued Annual Rent that remains unpaid at the time of such foreclosure or assignment in lieu of foreclosure shall be forgiven by OCII, and shall not be an obligation of the Lender or any other Subsequent Owner, and (ii) Annual Rent shall be set as follows:

(a) For so long as the Project is operated in accordance with the use and occupancy restrictions of Section 9.02, the following shall apply:

(1) The obligations of any Subsequent Owner other than a Lender for payment of Annual Rent shall be as set forth for other Tenants in Article 4;

(2) The obligations for payment of Annual Rent of a Lender (or the affiliate of a Lender) who acquires the Leasehold Estate as a result of foreclosure of a Leasehold Mortgage or assignment of the Leasehold Estate in lieu of such foreclosure shall be as follows:

(A) For 180 days after foreclosure of a Leasehold Mortgage or assignment of the Leasehold Estate in lieu of such foreclosure, the obligations for payment of Annual Rent of the Lender (or such affiliate) shall be as set forth for other Tenants in Article 4;

(B) If, within 180 days after foreclosure of a Leasehold Mortgage or assignment of the Leasehold Estate in lieu of such foreclosure: (1) the Lender (or such affiliate) identifies as a potential assignee of the Leasehold Estate an entity that is controlled by, or includes a partner or member which is, a California nonprofit public benefit corporation that is exempt from tax under Section 501(c)(3) of the Internal Revenue Code such that would, if

leased by such entity, receive an exemption from state property taxes as provided under Section 214 of the California Revenue and Taxation Code, (2) OCII has approved such entity (which approval shall not be unreasonably withheld), and (3) Lender (or its affiliate) is engaged, diligently and in good faith, in negotiations with such entity for assignment of the Leasehold Estate, then, if requested by Lender, the obligations for payment of Annual Rent of the Lender (or such affiliate) shall continue to be as set forth for other Tenants in Article 4 for an additional 60 days after the end of the 180-day period set forth in 26.07(a)(2)(A) above;

(C) From and after the date that Lender (or its affiliate) no longer qualifies under paragraph (A) or paragraph (B) of this Section 26.07(a)(2), but continues to operate the Project subject to the use and occupancy restrictions of Section 9.02, Base Rent shall accrue without regard to the amount of Surplus Cash and shall be payable by Lender (or such affiliate) in arrears on each April 15; provided, however, that payment of Base Rent thus accrued may, at the option of the Lender (or such affiliate), be deferred, with simple interest at six percent (6%) per annum until paid, until the first to occur of (x) assignment of the Leasehold Estate to a Subsequent Owner or (y) the date that is sixty days after cessation of operation of the Project in accordance with the use and occupancy restrictions of Section 9.02. If the Lender or 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 of the Site, and the Base Rent shall be increased to the new fair market rent pursuant to this Section 26.07(b) and the provisions of Section 6.02(f) shall be suspended; provided, however, that the OCII 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 the aggregate rent charged to tenants on a dollar for dollar basis, with respect to such aggregate units occupied by Very Low Income Households as OCII and the Subsequent Owner shall agree. Lender or Subsequent Owner also has the option to voluntarily agree to affordability restrictions less strict than those set forth in Section 9.02. In such event, the Base Rent shall not be increased but the Annual Rent shall be set at the fair market rental value of the Site based on the agreed upon affordability restrictions and the Base Rent and Residual Rent shall continue to be eligible for

deferral pursuant to Article 4 hereof. The fair market rental value shall be determined by a jointly-commissioned appraisal (instructions prepared jointly by the Lender or Subsequent Owner and OCII, 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 or Subsequent Owner, in its sole discretion may rescind its written notification of intent to not comply with Section 9.02 of this Air Rights Lease.

26.08 Permitted Uses after Lender Foreclosure

Notwithstanding the above, in the event of a foreclosure and transfer to a Subsequent Owner, the Project shall be operated in accordance with the uses specified in the schematic design, preliminary construction documents, final construction documents, and the building permit with all addenda, as approved by the Landlord.

26.09 Preservation of Leasehold Benefits

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

(a) That the Landlord shall not voluntarily cancel or surrender this Air Rights Lease, or accept a voluntary cancellation or surrender of this Air Rights Lease by Tenant, or materially amend this Air Rights Lease to increase the obligations of the Tenant or the rights of OCII thereunder, without the prior written consent of the Permitted Limited Partner and each Lender (which will not be unreasonably withheld or delayed);

(b) That OCII shall not enforce against a Lender any waiver or election made by the Tenant under this Air Rights Lease which has a material adverse effect on the value of the

Leasehold Estate under this Air Rights 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 Air Rights Lease, OCII will enter a new lease with such Lender commencing on the date of termination of the Air Rights Lease and ending on the normal expiration date of the Air Rights Lease, on substantially the same terms and conditions as the Air Rights 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 Air Rights Lease through the date of such termination;

(d) That OCII 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 Site pursuant to this Air Rights Lease shall not merge with the fee interest in the Improvements, notwithstanding ownership of the leasehold and the fee by the same person, without the prior written consent of each Lender.

26.11 OCII Bankruptcy

(a) If a bankruptcy proceeding is filed by or against OCII, OCII 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) OCII acknowledges that (i) the Tenant seeks to construct improvements on the Site 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 Site free and clear of the leasehold. Therefore, OCII waives its right to sell the OCII's fee interest in the Site pursuant to section 363(f) of the Bankruptcy Code, free and clear of the leasehold interest under this Air Rights Lease.

(c) If a bankruptcy proceeding is filed by or on behalf of OCII, OCII agrees as follows: (i) the Tenant shall be presumed to have objected to any attempt by OCII to sell the fee interest

free and clear of the leasehold under this Air Rights 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) OCII 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 Air Rights Lease.

ARTICLE 27: CONDEMNATION AND TAKINGS

27.01 Parties' Rights and Obligations to be Governed by Agreement

If, during the term of this Air Rights 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 Air Rights 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 Air Rights Lease shall remain in effect, except that Tenant may, with Lender's written consent, elect to terminate this Air Rights 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 Air Rights Lease, Tenant must exercise its right to terminate pursuant to this paragraph by giving notice to OCII within thirty (30) days after the OCII notifies Tenant of the nature and the extent of the taking. If Tenant elects to terminate this Air Rights Lease as provided in this Section 27.03, Tenant also shall notify OCII 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 OCII of its election to terminate; except that this Air Rights 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 Air Rights Lease within such thirty (30) day notice period, this Air Rights 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 Air Rights Lease remains in full force and effect, then on the date of taking the rent shall be equitably abated.

27.05 Restoration of Improvements

If there is a partial taking of the Improvements and this Air Rights Lease remains in full force and effect pursuant to Section 27.03, Tenant may, subject to the terms of each 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 the extent required by a Lender in accordance with its loan documents, 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;

(b) Second, to the Tenant in an amount equal to the fair market value of Tenant's interest in the Improvements and its leasehold interest in the Site (including, but not limited to, the value of Tenant's interest in all subleases to occupants of the Site), such value to be determined as it existed immediately preceding the earliest taking or threat of taking of the Site; and

(c) Third, to the Landlord.

THE ATTACHED DOCUMENT IS OCII'S STANDARD FORM DOCUMENT, HAS NOT YET BEEN NEGOTIATED BY THE PARTIES, AND IS NOT EFFECTIVE OR BINDING ON THE PARTIES. THE PARTIES INTEND TO NEGOTIATE MUTUALLY ACCEPTABLE REVISIONS TO THIS FORM DOCUMENT PRIOR TO THE DATE REQUIRED FOR THE EXECUTION OF THE AIR RIGHTS LEASE UNDER THE DDA.

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 Lender's loan documents.

ARTICLE 28: ESTOPPEL CERTIFICATE

OCII or Tenant, as the case may be, shall execute, acknowledge and deliver to the other and/or to Lender or Permitted Limited Partner, promptly (but not more than ten days) upon request, its certificate certifying (a) that this Air Rights Lease is unmodified and in full force and effect (or, if there have been modifications, that this Air Rights 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 OCII 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 OCII in the performance or observance by Tenant or OCII of any agreement, covenant or condition hereof on the part of Tenant or OCII to be performed or observed and whether any notice has been given to Tenant or OCII of any default which has not been cured and, if so, specifying the same.

ARTICLE 29: QUITCLAIM

Upon expiration or sooner termination of this Air Rights Lease, Tenant shall surrender the Site to OCII and, at OCII's request, shall execute, acknowledge, and deliver to OCII 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

Tenant agrees to comply with all of the Equal Opportunity and related requirements attached hereto as Attachment 5.

ARTICLE 31: OCII LABOR STANDARDS PROVISIONS

31.01 OCII Employment and Contracting Policy

Tenant agrees to comply with the requirements of the OCII's Employment and Contracting Policy ("OCII ECP") as set forth on Attachment 5.

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31.02 Prevailing Wages

The Parties acknowledge that the development of the Project is a private work of improvement. Tenant agrees to pay or cause to be paid prevailing rates of wages in accordance with the requirements set forth in Attachment 6.

ARTICLE 32: OCII MINIMUM COMPENSATION AND HEALTH CARE ACCOUNTABILITY POLICY

Tenant agrees that the Tenant and its subtenants, if any, will comply with the provisions of the OCII's Minimum Compensation Policy ("MCP") and Health Care Accountability Policy ("HCAP") (together, the "Policies") as set forth in Attachments 9 and 10 respectively. Notwithstanding this requirement, OCII recognizes that the residential housing component of the Improvements is subject to the Policies as is the leasing and operations of the Non-residential Space is subject to the Policies.

ARTICLE 33: CONFLICT OF INTEREST

No commissioner, official, or employee of OCII shall have any personal or financial interest, direct or indirect, in this Air Rights Lease, nor shall any such commissioner, official, or employee participate in any decision relating to this Air Rights Lease which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is directly or indirectly interested.

ARTICLE 34: NO PERSONAL LIABILITY

No commissioner, official, or employee of OCII shall be personally liable to Tenant or any successor in interest in the event of any default or breach by OCII or for any amount which may become due to Tenant or its successors or on any obligations under the terms of this Air Rights Lease. Except to the extent required under any partnership agreement for the Project, no partner of Tenant shall be personally liable to Landlord or any successor in interest in the event of any default or breach by Tenant or for any amount which may become due to Landlord or its successors or on any obligations under the terms of this Air Rights Lease.

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ARTICLE 35: 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 36: WAIVER

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

ARTICLE 37: TENANT RECORDS

Upon reasonable notice during normal business hours, and as often as OCII 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 OCII to inspect personal histories of residents or lists of donors or supporters. To the extent that it is permitted by law to do so, OCII 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. OCII's rights pursuant to the preceding provisions of this Article 38 shall be subject in all respects to applicable local, state and federal laws restricting the disclosure of such information.

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ARTICLE 38: 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 OCII as shall from time to time be designated by the parties for the receipt of notices, or upon receipt when sent by express delivery service with a delivery receipt and addressed

To OCII: Office of Community Investment and Infrastructure
Successor Agency to the San Francisco Redevelopment Agency
1 South Van Ness, 5th Floor
San Francisco, CA 94103
Attn: Executive Director

With a copy to: Mayor's Office of Housing and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: Director

To Tenant:

With a copy to:

To Limited Partner:

With a copy to:

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 38 shall be effective on the date of delivery or the date delivery is refused as shown on the delivery receipt. For purposes of this Article 38 and Article 19.02, the

THE ATTACHED DOCUMENT IS OCII'S STANDARD FORM DOCUMENT, HAS NOT YET BEEN NEGOTIATED BY THE PARTIES, AND IS NOT EFFECTIVE OR BINDING ON THE PARTIES. THE PARTIES INTEND TO NEGOTIATE MUTUALLY ACCEPTABLE REVISIONS TO THIS FORM DOCUMENT PRIOR TO THE DATE REQUIRED FOR THE EXECUTION OF THE AIR RIGHTS LEASE UNDER THE DDA.

Limited Partner shall include any successors and/or assigns of NEF Assignment Corporation that is an affiliate of the Limited Partnership.

ARTICLE 39: COMPLETE AGREEMENT

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

ARTICLE 40: HEADINGS

Any titles of the several parts and sections of this Air Rights 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 41: SUCCESSORS AND ASSIGNS

This Air Rights Lease shall be binding upon and inure to the benefit of the successors and assigns of OCII and Tenant and where the term "Tenant" or "OCII" is used in this Air Rights Lease, it shall mean and include their respective successors and assigns; provided, however, that OCII shall have no obligation under this Air Rights Lease to, nor shall any benefit of this Air Rights Lease accrue to, any unapproved successor or assign of Tenant where OCII approval of a successor or assign is required by this Air Rights Lease.

ARTICLE 42: TIME OF THE ESSENCE.

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

ARTICLE 43: PARTIAL INVALIDITY

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

ARTICLE 44: APPLICABLE LAW

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

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ARTICLE 45: ATTORNEYS' FEES

If either of the parties hereto commences a lawsuit to enforce any of the terms of this Air Rights 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 46: EXECUTION IN COUNTERPARTS

This Air Rights 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 47: RECORDATION OF MEMORANDUM OF AIR RIGHTS LEASE

This Air Rights Lease shall not be recorded, but a memorandum of this Air Rights Lease shall be recorded. 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 Air Rights Lease to subsequent purchasers and mortgagees. The form of memorandum of Air Rights Lease is attached hereto as Attachment 2.

ARTICLE 48: ASSIGNMENT

OCII and Tenant hereby acknowledge and agree that, effective upon the date of issuance of the Certificate of Completion, or some later date as determined by OCII, all of OCII's rights, interests and obligations under this Air Rights Lease shall be assigned to MOHCD pursuant to Dissolution Law. OCII and Tenant hereby agree to execute such further instruments and to take such further actions as may be reasonably required to carry out the intent of this Article 48. Upon assignment to MOHCD, all references herein to OCII shall be deemed references to MOHCD.

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ARTICLE 49: ATTACHMENTS

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

1. Legal Description of Site
2. Memorandum of Air Rights Lease
3. Schedule of Performance
4. Operational Rules for Certificate Holder's Priority
5. Equal Opportunity Program
6 Prevailing Wage Provisions
7. Income Computation and Certification
8. City's Policy on the Inclusion and Funding of Commercial Space in MOH/SFRA-Funded Housing Developments
9. OCII's Minimum Compensation Policy
10. OCII's Health Care Accountability Policy
11. Consent to Leasehold Mortgage
12. Rent Restrictions

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IN WITNESS WHEREOF, the Tenant and OCII have executed this Air Rights Lease as of the day and year first above written.

OCII:
Office of Community Investment and Infrastructure, Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, organized and existing under the laws of the State of California

By: _____
Tiffany Bohee
Executive Director

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: _____
Heidi J. Gewertz
Deputy City Attorney

TENANT:

By:

By:

By: _____
Its: Vice President

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ATTACHMENT 1

Legal Description of the Site

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

APN:

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ATTACHMENT 2

Memorandum of Air Rights Lease

RECORDING REQUESTED BY:

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

WHEN RECORDED RETURN TO:

Free Recording Requested Pursuant to Government Code Section 27383
280 Beale Street
San Francisco, CA 94105

MEMORANDUM OF AIR RIGHTS LEASE

This Memorandum of Air Rights Lease ("Memorandum") is entered into as of this __ day of _____ by and between the Office of Community Investment and Infrastructure, organized and existing under the laws of the State of California (the "Lessor") and _____ (the "Lessee") with respect to that certain unrecorded Air Rights Lease dated as of _____ (the "Lease"), between Lessor and Lessee.

Pursuant to the Lease, Lessor hereby leases to Lessee and Lessee leases from Lessor the real property described in Exhibit A attached hereto and incorporated herein by this reference (the "Property"). The Initial Term of the Lease shall commence on _____, and shall end on the date seventy five (75) years thereafter, with an Option for Extension for an additional twenty-four (24) year term to begin at the end of the Initial Term. Lessee is granted a right of first refusal to purchase a fee interest in the Property from Lessor under certain conditions more specifically described in Section 14.02 of the Lease.

This Memorandum shall incorporate herein all of the terms and provisions of the Lease as though fully set forth herein.

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This Memorandum is solely for recording purposes and shall not be construed to alter, modify, amend or supplement the Lease or grant of improvements, of which this is a memorandum.

Executed this ___ day of _____2014, at San Francisco, California.

LESSOR:

Office of Community Investment and Infrastructure
of the City and County of San Francisco,
a public body, organized and existing under the laws of the State of California

By: _____
Tiffany Bohee
Its: Director

LESSEE:

By:

By:

By: _____
Its: Vice President

ALL SIGNATURES MUST BE NOTARIZED

THE ATTACHED DOCUMENT IS OCII'S STANDARD FORM DOCUMENT, HAS NOT YET BEEN NEGOTIATED BY THE PARTIES, AND IS NOT EFFECTIVE OR BINDING ON THE PARTIES. THE PARTIES INTEND TO NEGOTIATE MUTUALLY ACCEPTABLE REVISIONS TO THIS FORM DOCUMENT PRIOR TO THE DATE REQUIRED FOR THE EXECUTION OF THE AIR RIGHTS LEASE UNDER THE DDA.

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

APN:

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ATTACHMENT 3

Schedule of Performance

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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 former San Francisco Redevelopment Agency ("SFRA") 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 document. Final acceptance or rejection of Certificate Holders lies with the Owner. The Owner shall notify the City and applicant in writing of the reason for rejection. In order to implement this process:

A. The City 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 City ninety (90) days prior to accepting lease applications with the information listed below. This information shall not be changed without providing the City with ten (10) days written notice.
   a. A master unit list with the following information:
      1. Number of bedrooms and baths;
      2. Square footage; and
      3. 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) 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 City 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 City
      (6) Duration of rental agreement or lease.
      (7) Copy of rental agreement or lease.

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 Owner's office hours for accepting applications and showing model unit(s).

2. That 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.

3. 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 between 1966-1975 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 City 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 City 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. Complete Certificate of Preference Applicant status updates form.

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.

4. 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.

5. 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.

6. 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. 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.

E. 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.

THE ATTACHED DOCUMENT IS OCII'S STANDARD FORM DOCUMENT, HAS NOT YET BEEN NEGOTIATED BY THE PARTIES, AND IS NOT EFFECTIVE OR BINDING ON THE PARTIES. THE PARTIES INTEND TO NEGOTIATE MUTUALLY ACCEPTABLE REVISIONS TO THIS FORM DOCUMENT PRIOR TO THE DATE REQUIRED FOR THE EXECUTION OF THE AIR RIGHTS LEASE UNDER THE DDA.

ATTACHMENT 5

1. Equal Opportunity Policies. Borrower shall comply with OCII's Equal Opportunity Policies attached hereto as part of this Exhibit E which includes: Small Business Enterprise Agreement, Construction Workforce Agreement, and Prevailing Wage Provisions (Labor Standards):

(i) Small Business Enterprise (SBE) Policy (adopted by Resolution No. 82-2009, July 27, 2009) attached as Exhibit E-1;

(ii) Construction Workforce, attached as set forth in Attachment 5-2; and

(iii) Prevailing Wage Policy (adopted by Resolution No. 327-1985 Nov. 12, 1985) attached as Attachment 5-3.

(iv) Nondiscrimination in Contracts and Benefits (adopted by Resolution No. 175-1997) attached as Attachment 5-4.

(v) Health Care Accountability Policy (adopted by Resolution No. 168-2001) attached as Attachment 5-5.

(vi) Minimum Compensation Policy (adopted by Resolution No. 168-2001) attached as Attachment 5-6.

2. Environmental Review. The Project must meet the requirements of the California Environmental Quality Act (Cal. Pub. Res. Code §§ 2100 *et seq.*)and implementing regulations.

3. Conflict of Interest.

(a) Except for approved eligible administrative or personnel costs, no employee, agent, consultant, officer or official of Borrower or OCII who exercises or has exercised any function or responsibilities with respect to activities assisted by Funds, in whole or in part, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in or benefit from the activities assisted under this Agreement, or have an interest, direct or indirect, in any contract, subcontract or agreement with respect thereto, or in the proceeds thereunder either for himself/herself or for those with whom he/she has family or business ties, during his/her tenure and for one year thereafter. In order to carry out the purpose of this Section, Borrower must incorporate, or cause to be incorporated, in all contracts, subcontracts and agreements relating to activities assisted under the Agreement, a provision similar to that of this Section. Borrower will be responsible for obtaining compliance with conflict of interest provisions by the parties with whom it contracts and, in the event of a breach, Borrower must take prompt and diligent action to cause the breach to be remedied and compliance to be restored.

(b) Borrower represents that it is familiar with the provisions of Sections 1090 through 1097 and 87100 *et seq.* of the California Government Code, all of which relate to prohibited conflicts of interest in connection with government contracts. Borrower certifies that

it knows of no facts that constitute a violation of any of these provisions and agrees to notify OCII immediately if Borrower at any time obtains knowledge of facts constituting a violation.

(c) In the event of any violation of the conflict of interest prohibitions, Borrower agrees that OCII may refuse to consider any future application for funding from Borrower or any entity related to Borrower until the violation has been corrected to OCII's satisfaction, in OCII's sole discretion.

4. Disability Access. Borrower must comply with all applicable disability access Laws, including the Americans With Disabilities Act (42 U.S.C. §§ 1201 *et seq.*), Section 504 of the Rehabilitation Act (29 U.S.C. § 794) and the Fair Housing Amendments Act (42 U.S.C. §§ 3601 *et seq.*). Borrower is responsible for determining which disability access Laws apply to the Project, including those applicable due to the use of Funds. In addition, before occupancy of the Project, Borrower must provide to OCII a written reasonable accommodations policy that indicates how Borrower will respond to requests by disabled individuals for accommodations in Units and common areas of the Project.

5. Lead-Based Paint. Borrower must satisfy the requirements of Chapter 36 of the San Francisco Building Code ("Work Practices for Exterior Lead-Based Paint") and the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4821 *et seq.*) and implementing regulations at 24 CFR part 35. Borrower must also comply with the provisions contained in 17 CCR 350000 *et seq.*, and 8 CCR 1532.1 and all other applicable Laws governing lead-based hazards.

6. Relocation. Borrower must meet any applicable requirements of the California Relocation Assistance Act (Cal. Gov. Code §§ 7260 *et seq.*) and implementing regulations in Title 25, Chapter 6 of the California Administrative Code and similar Laws.

7. Non-Discrimination in OCII Contracts and Benefits Policy.

(a) Borrower May Not Discriminate. In the performance of this Agreement, Borrower 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, height, weight, disability 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 Borrower, in any of Borrower'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 Borrower.

(b) Non-Discrimination in Benefits. Borrower 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 OCII 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 Agency under state or local law authorizing such registration, subject to the conditions set forth in the Agency's Nondiscrimination in Contracts Policy, adopted by Agency Resolution 175-97, as amended from time to time.

8. Public Disclosure.

(a) Borrower understands and agrees that under the State Public Records Law (Cal. Gov. Code §§ 6250 *et seq.*), this Agreement and any and all records, information and materials submitted to OCII or the City hereunder are public records subject to public disclosure. Borrower hereby authorizes OCII and the City to disclose any records, information and materials submitted to OCII or the City in connection with this Agreement as required by Law.

9. Compliance with Minimum Compensation Policy and Health Care Accountability Policy. Borrower agrees, as of the date of this Agreement and during the term of this Agreement, to comply with the provisions of the Agency's Minimum Compensation Policy and Health Care Accountability Policy (the "Policies"), adopted by Agency Resolution 168-2001, as such policies may be amended from time to time. Such compliance includes providing all "Covered Employees," as defined under Section 2.7 of the Policies, a minimum level of compensation and offering health plan benefits to such employees or to make payments to the City's Department of Public Health, or to participate in a health benefits program developed by the City's Director of Health.

10. Limitations on Contributions. Through execution of this Agreement, Borrower 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 Agency 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) the Mayor or members of the Board of Supervisors, (2) a candidate for Mayor or Board of Supervisors, or (3) a committee controlled by such office holder or candidate, 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. Borrower 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. Borrower further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Borrower's board of directors; Borrower's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20

percent in Borrower; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Borrower. Additionally, Borrower acknowledges that Borrower must inform each of the persons described in the preceding sentence of the prohibitions contained in section 1.126.

Finally, Borrower agrees to provide to OCII the names of each member of Borrower's general partners' (or, if applicable, general partners' managing members) board of directors; Borrower's general partners' (or, if applicable, general partners' managing members) chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Borrower's general partners (or, if applicable, general partners' managing members); any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Borrower.

THE ATTACHED DOCUMENT IS OCII'S STANDARD FORM DOCUMENT, HAS NOT YET BEEN NEGOTIATED BY THE PARTIES, AND IS NOT EFFECTIVE OR BINDING ON THE PARTIES. THE PARTIES INTEND TO NEGOTIATE MUTUALLY ACCEPTABLE REVISIONS TO THIS FORM DOCUMENT PRIOR TO THE DATE REQUIRED FOR THE EXECUTION OF THE AIR RIGHTS LEASE UNDER THE DDA.

ATTACHMENT 6

Prevailing Wage Provisions

11.1 **Applicability**. These Prevailing Wage Provisions (hereinafter referred to as "Labor Standards") apply to any and all construction of the Improvements as defined in the Agreement between the Borrower and the Office of Community Investment and Infrastructure (OCII) "Successor Agency" of which this Exhibit H and these Labor Standards are a part.

11.2 **All Contracts and Subcontracts shall contain the Labor Standards. Confirmation by Construction Lender**.

(a) All specifications relating to the construction of the Improvements shall contain these Labor Standards and the Borrower shall have the responsibility to assure that all contracts and subcontracts, regardless of tier, incorporate by reference the specifications containing these Labor Standards. If for any reason said Labor Standards are not included, the Labor Standards shall nevertheless apply. The Borrower shall supply the Agency with true copies of each contract relating to the construction of the Improvements showing the specifications that contain these Labor Standards promptly after due and complete execution thereof and before any work under such contract commences. Failure to do shall be a violation of these Labor Standards.

(b) Before close of escrow under the Agreement and as a condition to close of escrow, the Borrower shall also supply a written confirmation to the Agency from any construction lender for the Improvements that such construction lender is aware of these Labor Standards.

11.3 **Definitions**. The following definitions shall apply for purposes of this Exhibit H:

(a) "Contractor" is the Borrower if permitted by law to act as a contractor, the general contractor, and any contractor as well as any subcontractor of any tier subcontractor having a contract or subcontract that exceeds $10,000, and who employs Laborers, Mechanics, working foremen, and security guards to perform the construction on all or any part of the Improvements.

(b) "Laborers" and "Mechanics" are all persons providing labor to perform the construction, including working foremen and security guards.

(c) "Working foreman" is a person who, in addition to performing supervisory duties, performs the work of a Laborer or Mechanic during at least 20 percent of the work week.

11.4 Prevailing Wage.

(a) All Laborers and Mechanics employed in the construction of the Improvements will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by §11.5) the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at the time of payment computed at rates not less than those contained in the General Prevailing Wage Determination (hereinafter referred to as the "Wage Determination") made by the Director of Industrial Relations pursuant to California Labor Code Part 7, Chapter 1, Article 2, sections 1770, 1773 and 1773.1, regardless of any contractual relationship which may be alleged to exist between the Contractor and such Laborers and Mechanics. A copy of the applicable Wage Determination is on file in the offices of the Agency with the Development Services Manager. At the time of escrow closing the Agency shall provide the Borrower with a copy of the applicable Wage Determination.

(b) All Laborers and Mechanics shall be paid the appropriate wage rate and fringe benefits for the classification of work actually performed, without regard to skill. Laborers or Mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein provided that the Contractor's payroll records accurately set forth the time spent in each classification in which work is performed.

(c) Whenever the wage rate prescribed in the Wage Determination for a class of Laborers or Mechanics includes a fringe benefit which is not expressed as an hourly rate, the Contractor shall either pay the benefit in the manner as stated therein i.e. the vacation plan, the health benefit program, the pension plan and the apprenticeship program, or shall pay an hourly cash equivalent thereof.

(d) If the Contractor does not make payments to a trustee or other third person, the Contractor may consider as part of the wages of any Laborer or Mechanic the amount of any costs reasonably anticipated in providing benefits under a plan or program of a type expressly listed in the Wage Determination, provided that the Executive Director of the Agency has found, upon the written request of the Contractor, made through the Borrower that the intent

of the Labor Standards has been met. Records of such costs shall be maintained in the manner set forth in subsection (a) of §11.8. The Executive Director of the Agency may require the Borrower to set aside in a separate interest bearing account with a member of the Federal Deposit Insurance Corporation, assets for the meeting of obligations under the plan or program referred to above in subsection (b) of this §11.4. The interest shall be accumulated and shall be paid as determined by the Agency acting at its sole discretion.

(e) Regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

11.5 **Permissible Payroll Deductions**. The following payroll deductions are permissible deductions. Any others require the approval of the Agency's Executive Director.

(a) Any withholding made in compliance with the requirements of Federal, State or local income tax laws, and the Federal social security tax.

(b) Any repayment of sums previously advanced to the employee as a bona fide prepayment of wages when such prepayment is made without discount or interest. A "bona fide prepayment of wages" is considered to have been made only when case or its equivalent has been advanced to the employee in such manner as to give him or her complete freedom of disposition of the advanced funds.

(c) Any garnishment, unless it is in favor of the Contractor (or any affiliated person or entity), or when collusion or collaboration exists.

(d) Any contribution on behalf of the employee, to funds established by the Contractor, representatives of employees or both, for the purpose of providing from principal, income or both, medical or hospital care, pensions or annuities on retirement, death benefits, compensation for injuries, illness, accidents, sickness or disability, or for insurance to provide any of the foregoing, or unemployment benefits, vacation pay, savings accounts or similar payments for the benefit of employees, their families and dependents provided, however, that the following standards are met:

1. The deduction is not otherwise prohibited by law; and

2. It is either:

a. Voluntarily consented to by the employee in writing and in advance of the period in which the work is to be done and such consent is not a condition either for obtaining or for the continuation of employment, or

b. Provided for in a bona fide collective bargaining agreement between the Contractor and representatives of its employees; and

3. No profit or other benefit is otherwise obtained, directly or indirectly, by the Contractor (or any affiliated person or entity) in the form of commission, dividend or otherwise; and

4. The deduction shall serve the convenience and interest of the employee.

(e) Any authorized purchase of United States Savings Bonds for the employee.

(f) Any voluntarily authorized repayment of loans from or the purchase of shares in credit unions organized and operated in accordance with Federal and State credit union statutes.

(g) Any contribution voluntarily authorized by the employee for the American Red Cross, United Way and similar charitable organizations.

(h) Any payment of regular union initiation fees and membership dues, but not including fines or special assessments provided, that a collective bargaining agreement between the Contractor and representatives of its employees provides for such payment and the deductions are not otherwise prohibited by law.

11.6 **Apprentices and Trainees**. Apprentices and trainees will be permitted to work at less than the Mechanic's rate for the work they perform when they are employed pursuant to and are individually registered in an apprenticeship or trainee program approved by the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training ("BAT") or with the California Department of Industrial Relations, Division of Apprenticeship Standards ("DAS") or if a person is employed in his or her first 90 days of probationary employment as an apprentice or trainee in such a program, who is not individually registered in the program, but who has been certified by BAT or DAS to be eligible for probationary employment. Any employee listed on a payroll at an apprentice or

trainee wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate for a Mechanic. Every apprentice or trainee must be paid at not less than the rate specified in the registered program for the employee's level of progress, expressed as a percentage of a Mechanic's hourly rate as specified in the Wage Determination. Apprentices or trainees shall be paid fringe benefits in accordance with the provisions of the respective program. If the program does not specify fringe benefits, employees must be paid the full amount of fringe benefits listed in the Wage Determination.

11.7 **Overtime**. No Contractor contracting for any part of the construction of the Improvements which may require or involve the employment of Laborers or Mechanics shall require or permit any such Laborer or Mechanic in any workweek in which he or she is employed on such construction to work in excess of eight hours in any calendar day or in excess of 40 hours in such workweek unless such Laborer or Mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of eight hours in any calendar day or in excess of 40 hours in such workweek, whichever is greater.

11.8 **Payrolls and Basic Records**.

(a) Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of its construction of the Improvements and preserved for a period of one year thereafter for all Laborers and Mechanics it employed in the construction of the Improvements. Such records shall contain the name, address and social security number of each employee, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for fringe benefits or cash equivalents thereof), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the wages of any Laborer or Mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program, the Contractor shall maintain records which show the costs anticipated or the actual costs incurred in providing such benefits and that the plan or program has been communicated in writing to the Laborers or Mechanics affected. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage prescribed in the applicable programs or the Wage Determination.

(b) 1. The Contractor shall submit to the Agency on each Wednesday at noon a copy of the payrolls for the week preceding the previous week in which any construction of the Improvements was performed. The payrolls submitted

shall set out accurately and completely all of the information required by the Agency's Optional Form, an initial supply of which may be obtained from the Agency. The Contractor if a prime contractor or the Borrower acting as the Contractor is responsible for the submission of copies of certified payrolls by all subcontractors; otherwise each Contractor shall timely submit such payrolls.

(c) 2. Each weekly payroll shall be accompanied by the Statement of Compliance that accompanies the Agency's Optional Form and properly executed by the Contractor or his or her agent, who pays or supervises the payment of the employees.

(d) The Contractor shall make the records required under this §11.8 available for inspection or copying by authorized representatives of the Agency, and shall permit such representatives to interview employees during working hours on the job. On request the Executive Director of the Agency shall advise the Contractor of the identity of such authorized representatives.

11.9 **Occupational Safety and Health**. No Laborer or Mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his or her safety and health as determined under construction safety and health standards promulgated by Cal-OSHA or if Cal-OSHA is terminated, then by the federal OSHA.

11.10 **Equal Opportunity Program**. The utilization of apprentices, trainees, Laborers and Mechanics under this part shall be in conformity with the equal opportunity program set forth in Exhibit I of the Agreement including Schedules A and B. Any conflicts between the language contained in these Labor Standards and Exhibit I shall be resolved in favor of the language set forth in Exhibit I, except that in no event shall less than the prevailing wage be paid.

11.11 **Nondiscrimination Against Employees for Complaints**. No Laborer or Mechanic to whom the wage, salary or other Labor Standards of this Agreement are applicable shall be discharged or in any other manner discriminated against by the Contractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or relating to these Labor Standards.

11.12 **Posting of Notice to Employees**. A copy of the Wage Determination referred to in subsection (a) of §11.4 together with a copy of a "Notice to Employees," in the form appearing on the last page of these Labor Standards, shall be given to the Borrower at the close of escrow. The Notice to Employees and the Wage Determination shall both be posted and maintained by the Contractor in a prominent place readily accessible to all applicants and employees performing construction of the

Improvements before construction commences. If such Notice and Wage Determination is not so posted or maintained, the Agency may do so.

11.13 Violation and Remedies.

(a) Liability to Employee for Unpaid Wages. The Contractor shall be liable to the employee for unpaid wages, overtime wages and benefits in violation of these Labor Standards.

(b) Stop Work--Contract Terms, Records and Payrolls. If there is a violation of these Labor Standards by reason of the failure of any contract or subcontract for the construction of the Improvements to contain the Labor Standards as required by §11.2 ("Non-Conforming Contract"); or by reason of any failure to submit the payrolls or make records available as required by §11.8 ("Non-Complying Contractor"), the Executive Director of the Agency may, after written notice to the Borrower with a copy to the Contractor involved and failure to cure the violation within five working days after the date of such notice, stop the construction work under the Non-Conforming Contract or of the Non-Complying Contractor until the Non-Conforming Contract or the Non-Complying Contractor comes into compliance.

(c) Stop Work and Other Violations. For any violation of these Labor Standards the Executive Director of the Agency may give written notice to the Borrower, with a copy to the Contractor involved, which notice shall state the claimed violation and the amount of money, if any, involved in the violation. Within five working days from the date of said notice, the Borrower shall advise the Agency in writing whether or not the violation is disputed by the Contractor and a statement of reasons in support of such dispute (the "Notice of Dispute"). In addition to the foregoing, the Borrower, upon receipt of the notice of claimed violation from the Agency, shall with respect to any amount stated in the Agency notice withhold payment to the Contractor of the amount stated multiplied by 45 working days and shall with the Notice of Dispute, also advise the Agency that the moneys are being or will be withheld. If the Borrower fails to timely give a Notice of Dispute to the Agency or to advise of the withhold, then the Executive Director of the Agency may stop the construction of the Improvements under the applicable contract or by the involved Contractor until such Notice of Dispute and written withhold advice has been received.

(d) Upon receipt of the Notice of Dispute and withhold advice, any stop work which the Executive Director has ordered shall be lifted, but the Borrower shall continue to withhold the moneys until the dispute has been resolved

either by agreement, or failing agreement, by arbitration as is provided in §11.14.

(e) Withholding Certificates of Completion. The Agency may withhold any or all certificates of completion of the Improvements provided for in this agreement, for any violations of these Labor Standards until such violation has been cured.

(f) General Remedies. In addition to all of the rights and remedies herein contained, but subject to arbitration, except as hereinafter provided, the Agency shall have all rights in law or equity to enforce these Labor Standards including, but not limited to, a prohibitory or mandatory injunction. Provided, however, the stop work remedy of the Agency provided above in subsection (b) and (c) is not subject to arbitration.

11.14 Arbitration of Disputes.

(a) Any dispute regarding these Labor Standards shall be determined by arbitration through the American Arbitration Association, San Francisco, California office ("AAA") in accordance with the Commercial Rules of the AAA then applicable, but subject to the further provisions thereof.

(b) The Agency and all persons or entities who have a contractual relationship affected by the dispute shall be made a party to the arbitration. Any such person or entity not made a party in the demand for arbitration may intervene as a party and in turn may name any such person or entity as a party.

(c) The arbitration shall take place in the City and County of San Francisco.

(d) Arbitration may be demanded by the Agency, the Borrower or the Contractor.

(e) With the demand for arbitration, there must be enclosed a copy of these Labor Standards, and a copy of the demand must be mailed to the Agency and the Borrower, or as appropriate to one or the other if the Borrower or the Agency is demanding arbitration. If the demand does not include the Labor Standards they are nevertheless deemed a part of the demand. With the demand if made by the Agency or within a reasonable time thereafter if not made by the Agency, the Agency shall transmit to the AAA a copy of the Wage Determination (referred to in §11.4) and copies of all notices sent or received by the Agency pursuant to §11.13. Such material shall be made part of the arbitration record.

(f) One arbitrator shall arbitrate the dispute. The arbitrator shall be selected from the panel of arbitrators of the AAA by the parties to the arbitration in accordance with the AAA rules. The parties shall act diligently in this regard. If the parties fail to select an arbitrator, within seven (7) days from the receipt of the panel, the AAA shall appoint the arbitrator. A condition to the selection of any arbitrator shall be that person's agreement to render a decision within 30 days from appointment.

(g) Any party to the arbitration whether the party participates in the arbitration or not shall be bound by the decision of the arbitrator whose decision shall be final and binding on all of the parties and any and all rights of appeal from the decision are waived except a claim that the arbitrator's decision violates an applicable statute or regulation. The decision of the arbitrator shall be rendered on or before 30 days from appointment. The arbitrator shall schedule hearings as necessary to meet this 30 day decision requirement and the parties to the arbitration, whether they appear or not, shall be bound by such scheduling.

(h) Any party to the arbitration may take any and all steps permitted by law to enforce the arbitrator's decision and if the arbitrator's decision requires the payment of money the Contractor shall make the required payments and the Borrower shall pay the Contractor from money withheld.

(i) Costs and Expenses. Each party shall bear its own costs and expenses of the arbitration and the costs of the arbitration shall be shared equally among the parties.

11.15 **Non-liability of the Agency**. The Borrower and each Contractor acknowledge and agree that the procedures hereinafter set forth for dealing with violations of these Labor Standards are reasonable and have been anticipated by the parties in securing financing, in inviting, submitting and receiving bids for the construction of the Improvements, in determining the time for commencement and completion of construction and in proceeding with construction work. Accordingly the Borrower, and any Contractor, by proceeding with construction expressly waives and is deemed to have waived any and all claims against the Agency for damages, direct or indirect, arising out of these Labor Standards and their enforcement and including but not limited to claims relative to stop work orders, and the commencement, continuance or completion of construction.

THE ATTACHED DOCUMENT IS OCII'S STANDARD FORM DOCUMENT, HAS NOT YET BEEN NEGOTIATED BY THE PARTIES, AND IS NOT EFFECTIVE OR BINDING ON THE PARTIES. THE PARTIES INTEND TO NEGOTIATE MUTUALLY ACCEPTABLE REVISIONS TO THIS FORM DOCUMENT PRIOR TO THE DATE REQUIRED FOR THE EXECUTION OF THE AIR RIGHTS LEASE UNDER THE DDA.

SAN FRANCISCO REDEVELOPMENT AGENCY

NOTICE TO EMPLOYEES

EQUAL OPPORTUNITY NON-DISCRIMI-NATION — The contractor must take equal opportunity steps to provide employment opportunities to minority group persons and women and shall not discriminate on the basis of age, ancestry, color, creed, disability, gender, national origin, race, religion or sexual orientation.

PREVAILING WAGE — You shall not be paid less than the wage rate attached to this Notice for the kind of work you perform.

OVERTIME — You must be paid not less than one and one-half times your basic rate of pay for all hours worked over 8 a day or 40 a week, whichever is greater.

APPRENTICES — Apprentice rates apply only to employees registered under an apprenticeship or trainee program approved by the Bureau of Apprenticeship and Training or the California Division of Apprenticeship Standards.

PROPER PAY — If you do not receive proper pay, write the Office of Community Investment and Infrastructure, OCII

1 South Van Ness Ave. 5th Floor
San Francisco, CA 94103
or call **749-2546** and ask for
Mr. George Bridges
Contract Compliance Specialist

THE ATTACHED DOCUMENT IS OCII'S STANDARD FORM DOCUMENT, HAS NOT YET BEEN NEGOTIATED BY THE PARTIES, AND IS NOT EFFECTIVE OR BINDING ON THE PARTIES. THE PARTIES INTEND TO NEGOTIATE MUTUALLY ACCEPTABLE REVISIONS TO THIS FORM DOCUMENT PRIOR TO THE DATE REQUIRED FOR THE EXECUTION OF THE AIR RIGHTS LEASE UNDER THE DDA.

ATTACHMENT 7

Income Computation and Certification

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TENANT INCOME CERTIFICATION

☐ Initial Certification ☐ 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

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		TOTALS:	$	$
Enter Column (H) Total If over $5000	$_____ X	Passbook Rate 2.00%	= (J) Imputed Income	$
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)*

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PART V. DETERMINATION OF INCOME ELIGIBILITY

RECERTIFICATION ONLY:

TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: From item (L) on page 1 $

Household Meets Income Restriction at:
☐ 60% ☐ 50%
☐ 40% ☐ 30%
☐ ____%

Current Income Limit x 140%: $

Household Income exceeds 140% at recertification: ☐ Yes ☐ 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:
☐ 60% ☐ 50% ☐ 40% ☐ 30% ☐ ____%

Maximum Rent Limit for this unit: $

PART VII. STUDENT STATUS

ARE ALL OCCUPANTS FULL TIME STUDENTS?

☐ yes ☐ no

If yes, Enter student explanation* (also attach documentation)

Enter 1-4

*Student Explanation:
1 TANF assistance
2 Job Training Program
3 Single parent/dependent child
4 Married/joint return

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 ☐	b. HOME ☐	c. Tax Exempt ☐	d. AHDP ☐	e. _____ ☐ *(Name of Program)*
See Part V above.	*Income Status* ☐ ≤ 50% AMGI ☐ ≤ 60% AMGI ☐ ≤ 80% AMGI ☐ OI**	*Income Status* ☐ 50% AMGI ☐ 60% AMGI ☐ 80% AMGI ☐ OI**	*Income Status* ☐ 50% AMGI ☐ 80% AMGI ☐ OI**	*Income Status* ☐ _____ ☐ _____ ☐ OI**

** Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.

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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

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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 the respective household member number from Part II.

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. 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 non-optional 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.*

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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 indicting 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 indicting 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.

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ATTACHMENT 8

City's Policy on Inclusion and Funding of Commercial Space in MOH-OCII-Funded Housing Developments

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ATTACHMENT 9

Minimum Compensation Policy

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ATTACHMENT 10

Health Care Accountability Policy

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ATTACHMENT 11

Consent To Leasehold Mortgage

Date:

Office of Community Investment and Infrastructure, Successor to San Francisco Redevelopment Agency
Attn: Executive Director
One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103

RE: _____, San Francisco (LEASEHOLD MORTGAGE)

Dear Sir or Madam:

Pursuant to Section 26.01 of the _____ Air Rights Lease, dated _____, between the Office of Community Investment and Infrastructure ("Successor Agency") and _____, we are formally requesting the Successor Agency's consent to our placing a leasehold mortgage upon the leasehold estate of the above referenced development. The following information is provided in order for the Successor Agency to provide its consent:

Lender: _____
Principal Amount: _____
Interest: _____
Term: _____

Attached hereto are unexecuted draft loan documents, including the loan agreement, promissory note, and all associated security agreements which we understand are subject to the review and approval by the Successor Agency. Furthermore, we are willing to supply any additional documentation related to the leasehold mortgage which the Successor Agency deems necessary.

Sincerely,

_____
Printed Name and Title

enc.

_____

By signing this letter, the Successor Agency consents to the leasehold mortgage, pursuant to the terms and conditions of Section 26.01 of the _____ Air Rights Lease dated _____.

Office of Community Investment and Infrastructure

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_____

Printed Name and Title

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ATTACHMENT 12

Rent Restrictions

Unit Type	*Proposed Number of Units	Proposed Avg. Sq. Feet	Max Rent 2013*	Max % AMI**	Target % AMI	Rent or Operating Subsidies
1 BR	55	548	$1,013	50%	50%	none
2 BR	14	727	$1,039	50%	50%	none
Mgrs Unit	1 (2-br)					
TOTAL	70					

* The maximum rents shown here are for 2013. The Project rents will be established based on established rents for the appropriate year of the commencement of marketing of the Project.
** AMI is based on actual MOHCD established rates.

Maximum Rent charged to each Qualified Tenant may not exceed the amounts set forth above, provided that maximum Rent for Qualified Tenants for Units for which Section 8 assistance is available is the fair market rent established by SFHA and HUD or other Governmental Agency with jurisdiction over the rental subsidy program.

Unless prohibited under any applicable Law or the rules and regulations governing any Project funding source, each residential lease must provide for termination of the lease upon 120 days' prior written notice in the event that Borrower's annual income certification indicates that the Tenant's household income exceeds 120 percent of Median Income.

Annual Rent increases for Units will be limited as follows:

(i) for all Units, except as permitted herein, annual Rent increases will be limited to the lesser of: (A) the amount which would result in a rent equal to the maximum rent permitted for the unit or (B) the amount which corresponds to the percentage of the annual increase in Median Income published by HUD; and,

(ii) for Units occupied by over-income Tenants, rent charged may not exceed thirty percent (30%) of the over-income Tenant's adjusted household income.

With the OCII's prior written approval and in accordance with maximum rent limitations set forth above and all applicable restrictions, Rent increases for Units exceeding the amounts permitted herein will be permitted in order to recover increases in Project Expenses, but in no event may single or aggregate increases exceed ten percent (10%) per year, unless such an increase is contemplated in a OCII-approved temporary relocation plan or when the increase is caused by an increase in certified income. OCII

approval for such rent increases that are necessary to meet all approved Project Expenses and financial obligations shall not be unreasonably withheld.

ATTACHMENT 17

Mello-Roos Special Tax District Rate and Method of Apportionment (RMA)

EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 2014-1
(TRANSBAY TRANSIT CENTER)

AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Taxable Parcel in the City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Square Footage within Taxable Buildings, as described below. All Taxable Parcels in the CFD shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City and TJPA carrying out duties with respect to CFD No. 2014-1 and the Bonds, including, but not limited to, levying and collecting the Special Tax, the fees and expenses of legal counsel, charges levied by the City Controller's Office and/or the City Treasurer and Tax Collector's Office, costs related to property owner inquiries regarding the Special Tax, costs associated with appeals or requests for interpretation associated with the Special Tax and this RMA, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Tax, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of the City and TJPA in any way related to the establishment or administration of the CFD.

"Administrator" means the Director of the Office of Public Finance who shall be responsible for administering the Special Tax according to this RMA.

"Affordable Housing Project" means a residential or primarily residential project, as determined by the Zoning Authority, within which all Residential Units are Below Market Rate Units. All Land Uses within an Affordable Housing Project are exempt from the Special Tax, as provided in Section G and are subject to the limitations set forth in Section D.4 below.

"Airspace Parcel" means a parcel with an assigned Assessor's Parcel number that constitutes vertical space of an underlying land parcel.

"Apartment Building" means a residential or mixed-use Building within which none of the Residential Units have been sold to individual homebuyers.

"Assessor's Parcel" or **"Parcel"** means a lot or parcel, including an Airspace Parcel, shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating Parcels by Assessor's Parcel number.

"Authorized Facilities" means those public facilities authorized to be funded by the CFD as set forth in the CFD formation proceedings.

"Base Special Tax" means the Special Tax per square foot that is used to calculate the Maximum Special Tax that applies to a Taxable Parcel pursuant to Sections C.1 and C.2 of this RMA. The Base Special Tax shall also be used to determine the Maximum Special Tax for any Net New Square Footage added to a Taxable Building in the CFD in future Fiscal Years.

"Below Market Rate Units" or **"BMR Units"** means all Residential Units within the CFD that have a deed restriction recorded on title of the property that (i) limits the rental price or sales price of the Residential Unit, (ii) limits the appreciation that can be realized by the owner of such unit, or (iii) in any other way restricts the current or future value of the unit.

"Board" means the Board of Supervisors of the City, acting as the legislative body of CFD No. 2014-1.

"Bonds" means bonds or other debt (as defined in the Act), whether in one or more series, issued, incurred, or assumed by the CFD related to the Authorized Facilities.

"Building" means a permanent enclosed structure that is, or is part of, a Conditioned Project.

"Building Height" means the number of Stories in a Taxable Building, which shall be determined based on the highest Story that is occupied by a Land Use. If only a portion of a Building is a Conditioned Project, the Building Height shall be determined based on the highest Story that is occupied by a Land Use regardless of where in the Building the Taxable Parcels are located. If there is any question as to the Building Height of any Taxable Building in the CFD, the Administrator shall coordinate with the Zoning Authority to make the determination.

"Certificate of Exemption" means a certificate issued to the then-current record owner of a Parcel that indicates that some or all of the Square Footage on the Parcel has prepaid the Special Tax obligation or has paid the Special Tax for thirty Fiscal Years and, therefore, such Square Footage shall, in all future Fiscal Years, be exempt from the levy of Special Taxes in the CFD. The Certificate of Exemption shall identify (i) the Assessor's Parcel number(s) for the Parcel(s)

on which the Square Footage is located, (ii) the amount of Square Footage for which the exemption is being granted, (iii) the first and last Fiscal Year in which the Special Tax had been levied on the Square Footage, and (iv) the date of receipt of a prepayment of the Special Tax obligation, if applicable.

"Certificate of Occupancy" or **"COO"** means the first certificate, including any temporary certificate of occupancy, issued by the City to confirm that a Building or a portion of a Building has met all of the building codes and can be occupied for residential and/or non-residential use. For purposes of this RMA, "Certificate of Occupancy" shall not include any certificate of occupancy that was issued prior to January 1, 2013 for a Building within the CFD; however, any subsequent certificates of occupancy that are issued for new construction or expansion of the Building shall be deemed a Certificate of Occupancy and the associated Parcel(s) shall be categorized as Taxable Parcels if the Building is, or is part of, a Conditioned Project and a Tax Commencement Letter has been provided to the Administrator for the Building.

"CFD" or **"CFD No. 2014-1"** means the City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center).

"Child Care Square Footage" means, collectively, the Exempt Child Care Square Footage and Taxable Child Care Square Footage within a Taxable Building in the CFD.

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

"Conditioned Project" means a Development Project that is required to participate in funding Authorized Facilities through the CFD.

"Converted Apartment Building" means a Taxable Building that had been designated as an Apartment Building within which one or more Residential Units are subsequently sold to a buyer that is not a Landlord.

"Converted For-Sale Unit" means, in any Fiscal Year, an individual Market Rate Unit within a Converted Apartment Building for which an escrow has closed, on or prior to June 30 of the preceding Fiscal Year, in a sale to a buyer that is not a Landlord.

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

"CPC" means the Capital Planning Committee of the City and County of San Francisco, or if the Capital Planning Committee no longer exists, "CPC" shall mean the designated staff member(s) within the City and/or TJPA that will recommend issuance of Tax Commencement Authorizations for Conditioned Projects within the CFD.

"Development Project" means a residential, non-residential, or mixed-use development that includes one or more Buildings, or portions thereof, that are planned and entitled in a single application to the City.

"Exempt Child Care Square Footage" means Square Footage within a Taxable Building that, at the time of issuance of a COO, is determined by the Zoning Authority to be reserved for one or more licensed child care facilities. If a prepayment is made in association with any Taxable Child Care Square Footage, such Square Footage shall also be deemed Exempt Child Care Square Footage beginning in the Fiscal Year following receipt of the prepayment.

"Exempt Parking Square Footage" means the Square Footage of parking within a Taxable Building that, pursuant to Sections 151.1 and 204.5 of the Planning Code, is estimated to be needed to serve Land Uses within a building in the CFD, as determined by the Zoning Authority. If a prepayment is made in association with any Taxable Parking Square Footage, such Square Footage shall also be deemed Exempt Parking Square Footage beginning in the Fiscal Year following receipt of the prepayment.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"For-Sale Residential Square Footage" or **"For-Sale Residential Square Foot"** means Square Footage that is or is expected to be part of a For-Sale Unit. The Zoning Authority shall make the determination as to the For-Sale Residential Square Footage within a Taxable Building in the CFD. For-Sale Residential Square Foot means a single square-foot unit of For-Sale Residential Square Footage.

"For-Sale Unit" means (i) in a Taxable Building that is not a Converted Apartment Building: a Market Rate Unit that has been, or is available or expected to be, sold, and (ii) in a Converted Apartment Building, a Converted For-Sale Unit. The Administrator shall make the final determination as to whether a Market Rate Unit is a For-Sale Unit or a Rental Unit.

"Indenture" means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which CFD No. 2014-1 Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

"Initial Annual Adjustment Factor" means, as of July 1 of any Fiscal Year, the Annual Infrastructure Construction Cost Inflation Estimate published by the Office of the City Administrator's Capital Planning Group and used to calculate the annual adjustment to the City's development impact fees that took effect as of January 1 of the prior Fiscal Year pursuant to Section 409(b) of the Planning Code, as may be amended from time to time. If changes are made to the office responsible for calculating the annual adjustment, the name of the inflation index, or the date on which the development fee adjustment takes effect, the Administrator shall continue to rely on whatever annual adjustment factor is applied to the City's development impact fees in order to calculate adjustments to the Base Special Taxes pursuant to Section D.1 below. Notwithstanding the foregoing, the Base Special Taxes shall, in no Fiscal Year, be increased or decreased by more than two percent (2%) of the amount in effect in the prior Fiscal Year.

"Initial Square Footage" means, for any Taxable Building in the CFD, the aggregate Square Footage of all Land Uses within the Building, as determined by the Zoning Authority upon issuance of the COO.

"IPIC" means the Interagency Plan Implementation Committee, or if the Interagency Plan Implementation Committee no longer exists, "IPIC" shall mean the designated staff member(s) within the City and/or TJPA that will recommend issuance of Tax Commencement Authorizations for Conditioned Projects within the CFD.

"Land Use" means residential, office, retail, hotel, parking, or child care use. For purposes of this RMA, the City shall have the final determination of the actual Land Use(s) on any Parcel within the CFD.

"Landlord" means an entity that owns at least twenty percent (20%) of the Rental Units within an Apartment Building or Converted Apartment Building.

"Market Rate Unit" means a Residential Unit that is not a Below Market Rate Unit.

"Maximum Special Tax" means the greatest amount of Special Tax that can be levied on a Taxable Parcel in the CFD in any Fiscal Year, as determined in accordance with Section C below.

"Net New Square Footage" means any Square Footage added to a Taxable Building after the Initial Square Footage in the Building has paid Special Taxes in one or more Fiscal Years.

"Office/Hotel Square Footage" or **"Office/Hotel Square Foot"** means Square Footage that is or is expected to be: (i) Square Footage of office space in which professional, banking, insurance, real estate, administrative, or in-office medical or dental activities are conducted, (ii) Square Footage that will be used by any organization, business, or institution for a Land Use that does not meet the definition of For-Sale Residential Square Footage Rental Residential Square Footage, or Retail Square Footage, including space used for cultural, educational, recreational, religious, or social service facilities, (iii) Taxable Child Care Square Footage, (iv) Square Footage in a residential care facility that is staffed by licensed medical professionals, and (v) any other Square Footage within a Taxable Building that does not fall within the definition provided for other Land Uses in this RMA. Notwithstanding the foregoing, street-level retail bank branches, real estate brokerage offices, and other such ground-level uses that are open to the public shall be categorized as Retail Square Footage pursuant to the Planning Code. Office/Hotel Square Foot means a single square-foot unit of Office/Hotel Square Footage.

For purposes of this RMA, "Office/Hotel Square Footage" shall also include Square Footage that is or is expected to be part of a non-residential structure that constitutes a place of lodging, providing temporary sleeping accommodations and related facilities. All Square Footage that shares an Assessor's Parcel number within such a non-residential structure, including Square Footage of restaurants, meeting and convention facilities, gift shops, spas, offices, and other related uses shall be categorized as Office/Hotel Square Footage. If there are separate Assessor's Parcel numbers for these other uses, the Administrator shall apply the Base Special Tax for Retail Square Footage to determine the Maximum Special Tax for Parcels on which a restaurant, gift shop, spa, or other retail use is located or anticipated, and the Base Special Tax for Office/Hotel Square Footage shall be used to determine the Maximum Special Tax for Parcels on

which other uses in the building are located. The Zoning Authority shall make the final determination as to the amount of Office/Hotel Square Footage within a building in the CFD.

"Planning Code" means the Planning Code of the City and County of San Francisco, as may be amended from time to time.

"Proportionately" means that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Taxable Parcels.

"Rental Residential Square Footage" or **"Rental Residential Square Foot"** means Square Footage that is or is expected to be used for one or more of the following uses: (i) Rental Units, (ii) any type of group or student housing which provides lodging for a week or more and may or may not have individual cooking facilities, including but not limited to boarding houses, dormitories, housing operated by medical institutions, and single room occupancy units, or (iii) a residential care facility that is not staffed by licensed medical professionals. The Zoning Authority shall make the determination as to the amount of Rental Residential Square Footage within a Taxable Building in the CFD. Rental Residential Square Foot means a single square-foot unit of Rental Residential Square Footage.

"Rental Unit" means (i) all Market Rate Units within an Apartment Building, and (ii) all Market Rate Units within a Converted Apartment Building that have yet to be sold to an individual homeowner or investor. "Rental Unit" shall not include any Residential Unit which has been purchased by a homeowner or investor and subsequently offered for rent to the general public. The Administrator shall make the final determination as to whether a Market Rate Unit is a For-Sale Unit or a Rental Unit.

"Retail Square Footage" or **"Retail Square Foot"** means Square Footage that is or, based on the Certificate of Occupancy, will be Square Footage of a commercial establishment that sells general merchandise, hard goods, food and beverage, personal services, and other items directly to consumers, including but not limited to restaurants, bars, entertainment venues, health clubs, laundromats, dry cleaners, repair shops, storage facilities, and parcel delivery shops. In addition, all Taxable Parking Square Footage in a Building, and all street-level retail bank branches, real estate brokerages, and other such ground-level uses that are open to the public, shall be categorized as Retail Square Footage for purposes of calculating the Maximum Special Tax pursuant to Section C below. The Zoning Authority shall make the final determination as to the amount of Retail Square Footage within a Taxable Building in the CFD. Retail Square Foot means a single square-foot unit of Retail Square Footage.

"Residential Unit" means an individual townhome, condominium, live/work unit, or apartment within a Building in the CFD.

"Residential Use" means (i) any and all Residential Units within a Taxable Building in the CFD, (ii) any type of group or student housing which provides lodging for a week or more and may or may not have individual cooking facilities, including but not limited to boarding houses,

dormitories, housing operated by medical institutions, and single room occupancy units, and (iii) a residential care facility that is not staffed by licensed medical professionals.

"RMA" means this Rate and Method of Apportionment of Special Tax.

"Special Tax" means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

"Special Tax Requirement" means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds, (iii) create and/or replenish reserve funds for the Bonds to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Facilities. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture; (ii) in the sole and absolute discretion of the City, proceeds received by the CFD from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to pay such costs as determined by the Administrator.

"Square Footage" means, for any Taxable Building in the CFD, the net saleable or leasable square footage of each Land Use on each Taxable Parcel within the Building, as determined by the Zoning Authority. If a building permit is issued to increase the Square Footage on any Taxable Parcel, the Administrator shall, in the first Fiscal Year after the final building permit inspection has been conducted in association with such expansion, work with the Zoning Authority to recalculate (i) the Square Footage of each Land Use on each Taxable Parcel, and (ii) the Maximum Special Tax for each Taxable Parcel based on the increased Square Footage. The final determination of Square Footage for each Land Use on each Taxable Parcel shall be made by the Zoning Authority.

"Story" or **"Stories"** means a portion or portions of a Building, except a mezzanine as defined in the City Building Code, included between the surface of any floor and the surface of the next floor above it, or if there is no floor above it, then the space between the surface of the floor and the ceiling next above it.

"Taxable Building" means, in any Fiscal Year, any Building within the CFD that is, or is part of, a Conditioned Project, and for which a Certificate of Occupancy was issued and a Tax Commencement Authorization was received by the Administrator on or prior to June 30 of the preceding Fiscal Year. If only a portion of the Building is a Conditioned Project, as determined by the Zoning Authority, that portion of the Building shall be treated as a Taxable Building for purposes of this RMA.

"Tax Commencement Authorization" means a written authorization issued by the Administrator upon the recommendations of the IPIC and CPC in order to initiate the levy of the Special Tax on a Conditioned Project that has been issued a COO.

"Taxable Child Care Square Footage" means the amount of Square Footage determined by subtracting the Exempt Child Care Square Footage within a Taxable Building from the total net leasable square footage within a Building that is used for licensed child care facilities, as determined by the Zoning Authority.

"Taxable Parcel" means, within a Taxable Building, any Parcel that is not exempt from the Special Tax pursuant to law or Section G below. If, in any Fiscal Year, a Special Tax is levied on only Net New Square Footage in a Taxable Building, only the Parcel(s) on which the Net New Square Footage is located shall be Taxable Parcel(s) for purposes of calculating and levying the Special Tax pursuant to this RMA.

"Taxable Parking Square Footage" means Square Footage of parking in a Taxable Building that is determined by the Zoning Authority not to be Exempt Parking Square Footage.

"TJPA" means the Transbay Joint Powers Authority.

"Zoning Authority" means either the City Zoning Administrator, the Executive Director of the San Francisco Office of Community Investment and Infrastructure, or an alternate designee from the agency or department responsible for the approvals and entitlements of a project in the CFD. If there is any doubt as to the responsible party, the Administrator shall coordinate with the City Zoning Administrator to determine the appropriate party to serve as the Zoning Authority for purposes of this RMA.

B. DATA FOR CFD ADMINISTRATION

On or after July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Taxable Parcels in the CFD. In order to identify Taxable Parcels, the Administrator shall confirm which Buildings in the CFD have been issued both a Tax Commencement Authorization and a COO.

The Administrator shall also work with the Zoning Authority to confirm: (i) the Building Height for each Taxable Building, (ii) the For-Sale Residential Square Footage, Rental Residential Square Footage, Office/Hotel Square Footage, and Retail Square Footage on each Taxable Parcel, (iii) if applicable, the number of BMR Units and aggregate Square Footage of BMR Units within the Building, (iv) whether any of the Square Footage on a Parcel is subject to a Certificate of Exemption, and (v) the Special Tax Requirement for the Fiscal Year. In each Fiscal Year, the Administrator shall also keep track of how many Fiscal Years the Special Tax has been levied on each Parcel within the CFD. If there is Initial Square Footage and Net New Square Footage on a Parcel, the Administrator shall separately track the duration of the Special Tax levy in order to ensure compliance with Section F below.

In any Fiscal Year, if it is determined by the Administrator that (i) a parcel map or condominium plan for a portion of property in the CFD was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), and (ii) the Assessor does not yet recognize the newly-created parcels, the Administrator shall calculate the Special Tax that applies separately to each newly-created parcel, then applying the sum of the individual Special Taxes to the Assessor's Parcel that was subdivided by recordation of the parcel map or condominium plan.

C. DETERMINATION OF THE MAXIMUM SPECIAL TAX

1. Base Special Tax

Once the Building Height of, and Land Use(s) within, a Taxable Building have been identified, the Base Special Tax to be used for calculation of the Maximum Special Tax for each Taxable Parcel within the Building shall be determined based on reference to the applicable table(s) below:

FOR-SALE RESIDENTIAL SQUARE FOOTAGE

Building Height	*Base Special Tax Fiscal Year 2013-14**
1 – 5 Stories	$4.71 per For-Sale Residential Square Foot
6 – 10 Stories	$5.02 per For-Sale Residential Square Foot
11 – 15 Stories	$6.13 per For-Sale Residential Square Foot
16 – 20 Stories	$6.40 per For-Sale Residential Square Foot
21 – 25 Stories	$6.61 per For-Sale Residential Square Foot
26 – 30 Stories	$6.76 per For-Sale Residential Square Foot
31 – 35 Stories	$6.88 per For-Sale Residential Square Foot
36 – 40 Stories	$7.00 per For-Sale Residential Square Foot
41 – 45 Stories	$7.11 per For Sale Residential Square Foot
46 – 50 Stories	$7.25 per For-Sale Residential Square Foot
More than 50 Stories	$7.36 per For-Sale Residential Square Foot

RENTAL RESIDENTIAL SQUARE FOOTAGE

Building Height	*Base Special Tax Fiscal Year 2013-14**
1 – 5 Stories	$4.43 per Rental Residential Square Foot
6 – 10 Stories	$4.60 per Rental Residential Square Foot
11 – 15 Stories	$4.65 per Rental Residential Square Foot
16 – 20 Stories	$4.68 per Rental Residential Square Foot
21 – 25 Stories	$4.73 per Rental Residential Square Foot
26 – 30 Stories	$4.78 per Rental Residential Square Foot
31 – 35 Stories	$4.83 per Rental Residential Square Foot
36 – 40 Stories	$4.87 per Rental Residential Square Foot
41 – 45 Stories	$4.92 per Rental Residential Square Foot
46 – 50 Stories	$4.98 per Rental Residential Square Foot
More than 50 Stories	$5.03 per Rental Residential Square Foot

OFFICE/HOTEL SQUARE FOOTAGE

Building Height	*Base Special Tax Fiscal Year 2013-14**
1 – 5 Stories	$3.45 per Office/Hotel Square Foot
6 – 10 Stories	$3.56 per Office/Hotel Square Foot
11 – 15 Stories	$4.03 per Office/Hotel Square Foot
16 – 20 Stories	$4.14 per Office/Hotel Square Foot
21 – 25 Stories	$4.25 per Office/Hotel Square Foot
26 – 30 Stories	$4.36 per Office/Hotel Square Foot
31 – 35 Stories	$4.47 per Office/Hotel Square Foot
36 – 40 Stories	$4.58 per Office/Hotel Square Foot
41 – 45 Stories	$4.69 per Office/Hotel Square Foot
46 – 50 Stories	$4.80 per Office/Hotel Square Foot
More than 50 Stories	$4.91 per Office/Hotel Square Foot

RETAIL SQUARE FOOTAGE

Building Height	*Base Special Tax Fiscal Year 2013-14**
N/A	$3.18 per Retail Square Foot

** The Base Special Tax rates shown above for each Land Use shall escalate as set forth in Section D.1 below.*

2. Determining the Maximum Special Tax for Taxable Parcels

Upon issuance of a Tax Commencement Authorization and the first Certificate of Occupancy for a Taxable Building within a Conditioned Project that is not an Affordable Housing Project, the

Administrator shall coordinate with the Zoning Authority to determine the Square Footage of each Land Use on each Taxable Parcel. The Administrator shall then apply the following steps to determine the Maximum Special Tax for the next succeeding Fiscal Year for each Taxable Parcel in the Taxable Building:

Step 1. Determine the Building Height for the Taxable Building for which a Certificate of Occupancy was issued.

Step 2. Determine the For-Sale Residential Square Footage and/or Rental Residential Square Footage for all Residential Units on each Taxable Parcel, as well as the Office/Hotel Square Footage and Retail Square Footage on each Taxable Parcel.

Step 3. ***For each Taxable Parcel that includes only For-Sale Units***, multiply the For-Sale Residential Square Footage by the applicable Base Special Tax from Section C.1 to determine the Maximum Special Tax for the Taxable Parcel.

Step 4. ***For each Taxable Parcel that includes only Rental Units***, multiply the Rental Residential Square Footage by the applicable Base Special Tax from Section C.1 to determine the Maximum Special Tax for the Taxable Parcel.

Step 5. ***For each Taxable Parcel that includes only Residential Uses other than Market Rate Units***, net out the Square Footage associated with any BMR Units and multiply the remaining Rental Residential Square Footage (if any) by the applicable Base Special Tax from Section C.1 to determine the Maximum Special Tax for the Taxable Parcel.

Step 6. ***For each Taxable Parcel that includes only Office/Hotel Square Footage***, multiply the Office/Hotel Square Footage on the Parcel by the applicable Base Special Tax from Section C.1 to determine the Maximum Special Tax for the Taxable Parcel.

Step 7. ***For each Taxable Parcel that includes only Retail Square Footage***, multiply the Retail Square Footage on the Parcel by the applicable Base Special Tax from Section C.1 to determine the Maximum Special Tax for the Taxable Parcel.

Step 8. ***For Taxable Parcels that include multiple Land Uses,*** separately determine the For-Sale Residential Square Footage, Rental Residential Square Footage, Office/Hotel Square Footage, and/or Retail Square Footage. Multiply the Square Footage of each Land Use by the applicable Base Special Tax from Section C.1, and sum the individual amounts to determine the aggregate Maximum Special Tax for the Taxable Parcel for the first succeeding Fiscal Year.

D. CHANGES TO THE MAXIMUM SPECIAL TAX

1. *Annual Escalation of Base Special Tax*

The Base Special Tax rates identified in Section C.1 are applicable for fiscal year 2013-14. Beginning July 1, 2014 and each July 1 thereafter, the Base Special Taxes shall be adjusted by the Initial Annual Adjustment Factor. The Base Special Tax rates shall be used to calculate the Maximum Special Tax for each Taxable Parcel in a Taxable Building for the first Fiscal Year in which the Building is a Taxable Building, as set forth in Section C.2 and subject to the limitations set forth in Section D.3.

2. *Adjustment of the Maximum Special Tax*

After a Maximum Special Tax has been assigned to a Parcel for its first Fiscal Year as a Taxable Parcel pursuant to Section C.2 and Section D.1, the Maximum Special Tax shall escalate for subsequent Fiscal Years beginning July 1 of the Fiscal Year after the first Fiscal Year in which the Parcel was a Taxable Parcel, and each July 1 thereafter, by two percent (2%) of the amount in effect in the prior Fiscal Year. In addition to the foregoing, the Maximum Special Tax assigned to a Taxable Parcel shall be increased in any Fiscal Year in which the Administrator determines that Net New Square Footage was added to the Parcel in the prior Fiscal Year.

3. *Converted Apartment Buildings*

If an Apartment Building in the CFD becomes a Converted Apartment Building, the Administrator shall rely on information from the County Assessor, site visits to the sales office, data provided by the entity that is selling Residential Units within the Building, and any other available source of information to track sales of Residential Units. In the first Fiscal Year in which there is a Converted For-Sale Unit within the Building, the Administrator shall determine the applicable Base Maximum Special Tax for For-Sale Residential Units for that Fiscal Year. Such Base Maximum Special Tax shall be used to calculate the Maximum Special Tax for all Converted For-Sale Units in the Building in that Fiscal Year. In addition, this Base Maximum Special Tax, escalated each Fiscal Year by two percent (2%) of the amount in effect in the prior Fiscal Year, shall be used to calculate the Maximum Special Tax for all future Converted For-Sale Units within the Building. Solely for purposes of calculating Maximum Special Taxes for Converted For-Sale Units within the Converted Apartment Building, the adjustment of Base Maximum Special Taxes set forth in Section D.1 shall not apply. All Rental Residential Square Footage within the Converted Apartment Building shall continue to be subject to the Maximum Special Tax for Rental Residential Square Footage until such time as the units become Converted For-Sale Units. The Maximum Special Tax for all Taxable Parcels within the Building shall escalate each Fiscal Year by two percent (2%) of the amount in effect in the prior Fiscal Year.

4. *BMR Unit/Market Rate Unit Transfers*

If, in any Fiscal Year, the Administrator determines that a Residential Unit that had previously been designated as a BMR Unit no longer qualifies as such, the Maximum Special Tax on the

new Market Rate Unit shall be established pursuant to Section C.2 and adjusted, as applicable, by Sections D.1 and D.2. If a Market Rate Unit becomes a BMR Unit after it has been taxed in prior Fiscal Years as a Market Rate Unit, the Maximum Special Tax on such Residential Unit shall not be decreased unless: (i) a BMR Unit is simultaneously redesignated as a Market Rate Unit, and (ii) such redesignation results in a Maximum Special Tax on the new Market Rate Unit that is greater than or equal to the Maximum Special Tax that was levied on the Market Rate Unit prior to the swap of units. If, based on the Building Height or Square Footage, there would be a reduction in the Maximum Special Tax due to the swap, the Maximum Special Tax that applied to the former Market Rate Unit will be transferred to the new Market Rate Unit regardless of the Building Height and Square Footage associated with the new Market Rate Unit.

5. *Changes in Land Use on a Taxable Parcel*

If any Square Footage that had been taxed as For-Sale Residential Square Footage, Rental Residential Square Footage, Office/Hotel Square Footage, or Retail Square Footage in a prior Fiscal Year is rezoned or otherwise changes Land Use, the Administrator shall apply the applicable subsection in Section C.2 to calculate what the Maximum Special Tax would be for the Parcel based on the new Land Use(s). If the amount determined is greater than the Maximum Special Tax that applied to the Parcel prior to the Land Use change, the Administrator shall increase the Maximum Special Tax to the amount calculated for the new Land Uses. If the amount determined is less than the Maximum Special Tax that applied prior to the Land Use change, there will be no change to the Maximum Special Tax for the Parcel. Under no circumstances shall the Maximum Special Tax on any Taxable Parcel be reduced, regardless of changes in Land Use or Square Footage on the Parcel, including reductions in Square Footage that may occur due to demolition, fire, water damage, or acts of God. In addition, if a Taxable Building within the CFD that had been subject to the levy of Special Taxes in any prior Fiscal Year becomes all or part of an Affordable Housing Project, the Parcel(s) shall continue to be subject to the Maximum Special Tax that had applied to the Parcel(s) before they became part of the Affordable Housing Project. All Maximum Special Taxes determined pursuant to Section C.2 shall be adjusted, as applicable, by Sections D.1 and D.2.

6. *Prepayments*

If a Parcel makes a prepayment pursuant to Section H below, the Administrator shall issue the owner of the Parcel a Certificate of Exemption for the Square Footage that was used to determine the prepayment amount, and no Special Tax shall be levied on the Parcel in future Fiscal Years unless there is Net New Square Footage added to a Building on the Parcel. Thereafter, a Special Tax calculated based solely on the Net New Square Footage on the Parcel shall be levied for up to thirty Fiscal Years, subject to the limitations set forth in Section F below. Notwithstanding the foregoing, any Special Tax that had been levied against, but not yet collected from, the Parcel is still due and payable, and no Certificate of Exemption shall be issued until such amounts are fully paid. If a prepayment is made in order to exempt Taxable Child Care Square Footage on a Parcel on which there are multiple Land Uses, the Maximum Special Tax for the Parcel shall be recalculated based on the exemption of this Child Care Square Footage which shall, after such prepayment, be designated as Exempt Child Care Square Footage and remain exempt in all Fiscal Years after the prepayment has been received.

E. METHOD OF LEVY OF THE SPECIAL TAX

Each Fiscal Year, the Special Tax shall be levied Proportionately on each Taxable Parcel up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year until the amount levied on Taxable Parcels is equal to the Special Tax Requirement.

F. COLLECTION OF SPECIAL TAX

The Special Taxes for CFD No. 2014-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected from the first Fiscal Year in which a Parcel is designated as a Taxable Parcel until the principal and interest on all Bonds have been paid, the City's costs of constructing or acquiring Authorized Facilities from Special Tax proceeds have been paid, and all Administrative Expenses have been paid or reimbursed. Notwithstanding the foregoing, the Special Tax shall not be levied on any Square Footage in the CFD for more than thirty-seven Fiscal Years, except that a Special Tax that was lawfully levied in or before the final Fiscal Year and that remains delinquent may be collected in subsequent Fiscal Years. After a Building or a particular block of Square Footage within a Building (i.e., Initial Square Footage vs. Net New Square Footage) has paid the Special Tax for thirty-seven Fiscal Years, the then-current record owner of the Parcel(s) on which that Square Footage is located shall be issued a Certificate of Exemption for such Square Footage. Notwithstanding the foregoing, the Special Tax shall cease to be levied, and a Release of Special Tax Lien shall be recorded against all Parcels in the CFD that are still subject to the Special Tax, after the Special Tax has been levied in the CFD for eighty-two Fiscal Years.

Pursuant to Section 53321 (d) of the Act, the Special Tax levied against Residential Uses shall under no circumstances increase more than ten percent (10%) as a consequence of delinquency or default by the owner of any other Parcel or Parcels and shall, in no event, exceed the Maximum Special Tax in effect for the Fiscal Year in which the Special Tax is being levied.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on: (i) Square Footage for which a prepayment has been received and a Certificate of Exemption issued, (ii) Below Market Rate Units except as otherwise provided in Sections D.3 and D.4, (iii) Affordable Housing Projects, including all Residential Units, Retail Square Footage, and Office Square Footage within buildings that are part of an Affordable Housing Project, except as otherwise provided in Section D.4, and (iv) Exempt Child Care Square Footage.

H. PREPAYMENT OF SPECIAL TAX

The Special Tax obligation applicable to Square Footage in a building may be fully prepaid as described herein, provided that a prepayment may be made only if (i) the Parcel is a Taxable Parcel, and (ii) there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. Any prepayment made by a Parcel owner must satisfy the Special Tax obligation associated with all Square Footage on the Parcel that is subject to the Special Tax at the time the prepayment is calculated. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for the Square Footage on such Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The Prepayment Amount for a Taxable Parcel shall be calculated as follows:

Step 1: Determine the Square Footage of each Land Use on the Parcel.

Step 2: Determine how many Fiscal Years the Square Footage on the Parcel has paid the Special Tax, which may be a separate total for Initial Square Footage and Net New Square Footage on the Parcel. If a Special Tax has been levied, but not yet paid, in the Fiscal Year in which the prepayment is being calculated, such Fiscal Year will be counted as a year in which the Special Tax was paid, but a Certificate of Exemption shall not be issued until such Special Taxes are received by the City's Office of the Treasurer and Tax Collector.

Step 3: Subtract the number of Fiscal Years for which the Special Tax has been paid (as determined in Step 2) from 37 to determine the remaining number of Fiscal Years for which Special Taxes are due from the Square Footage for which the prepayment is being made. This calculation would result in a different remainder for Initial Square Footage and Net New Square Footage within a building.

Step 4: Separately for Initial Square Footage and Net New Square Footage, and separately for each Land Use on the Parcel, multiply the amount of Square Footage by the applicable Maximum Special Tax that would apply to such Square Footage in each of the remaining Fiscal Years, taking into account the 2% escalator set forth in Section D.2, to determine the annual stream of Maximum Special Taxes that could be collected in future Fiscal Years.

Step 5: For each Parcel for which a prepayment is being made, sum the annual amounts calculated for each Land Use in Step 4 to determine the annual Maximum Special Tax that could have been levied on the Parcel in each of the remaining Fiscal Years.

Step 6. Calculate the net present value of the future annual Maximum Special Taxes that were determined in Step 5 using, as the discount rate for the net present value calculation, the true interest cost (TIC) on the Bonds as identified by the Office of Public Finance. If there is more than one series of Bonds outstanding at the time of the prepayment calculation, the Administrator shall determine the weighted average TIC based on the Bonds from each series that remain outstanding. The amount determined pursuant to this Step 6 is the required prepayment for each Parcel. Notwithstanding the foregoing, if at any point in time the Administrator determines that the Maximum Special Tax revenue that could be collected from Square Footage that remains subject to the Special Tax after the proposed prepayment is less than 110% of debt service on Bonds that will remain outstanding after defeasance or redemption of Bonds from proceeds of the estimated prepayment, the amount of the prepayment shall be increased until the amount of Bonds defeased or redeemed is sufficient to reduce remaining annual debt service to a point at which 110% debt service coverage is realized.

Once a prepayment has been received by the City, a Certificate of Exemption shall be issued to the owner of the Parcel indicating that all Square Footage that was the subject of such prepayment shall be exempt from Special Taxes.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City may interpret, clarify, and revise this RMA to correct any inconsistency, vagueness, or ambiguity, by resolution and/or ordinance, as long as such interpretation, clarification, or revision does not materially affect the levy and collection of the Special Taxes and any security for any Bonds.

J. SPECIAL TAX APPEALS

Any taxpayer who wishes to challenge the accuracy of computation of the Special Tax in any Fiscal Year may file an application with the Administrator. The Administrator, in consultation with the City Attorney, shall promptly review the taxpayer's application. If the Administrator concludes that the computation of the Special Tax was not correct, the Administrator shall correct the Special Tax levy and, if applicable in any case, a refund shall be granted. If the Administrator concludes that the computation of the Special Tax was correct, then such determination shall be final and conclusive, and the taxpayer shall have no appeal to the Board from the decision of the Administrator.

The filing of an application or an appeal shall not relieve the taxpayer of the obligation to pay the Special Tax when due.

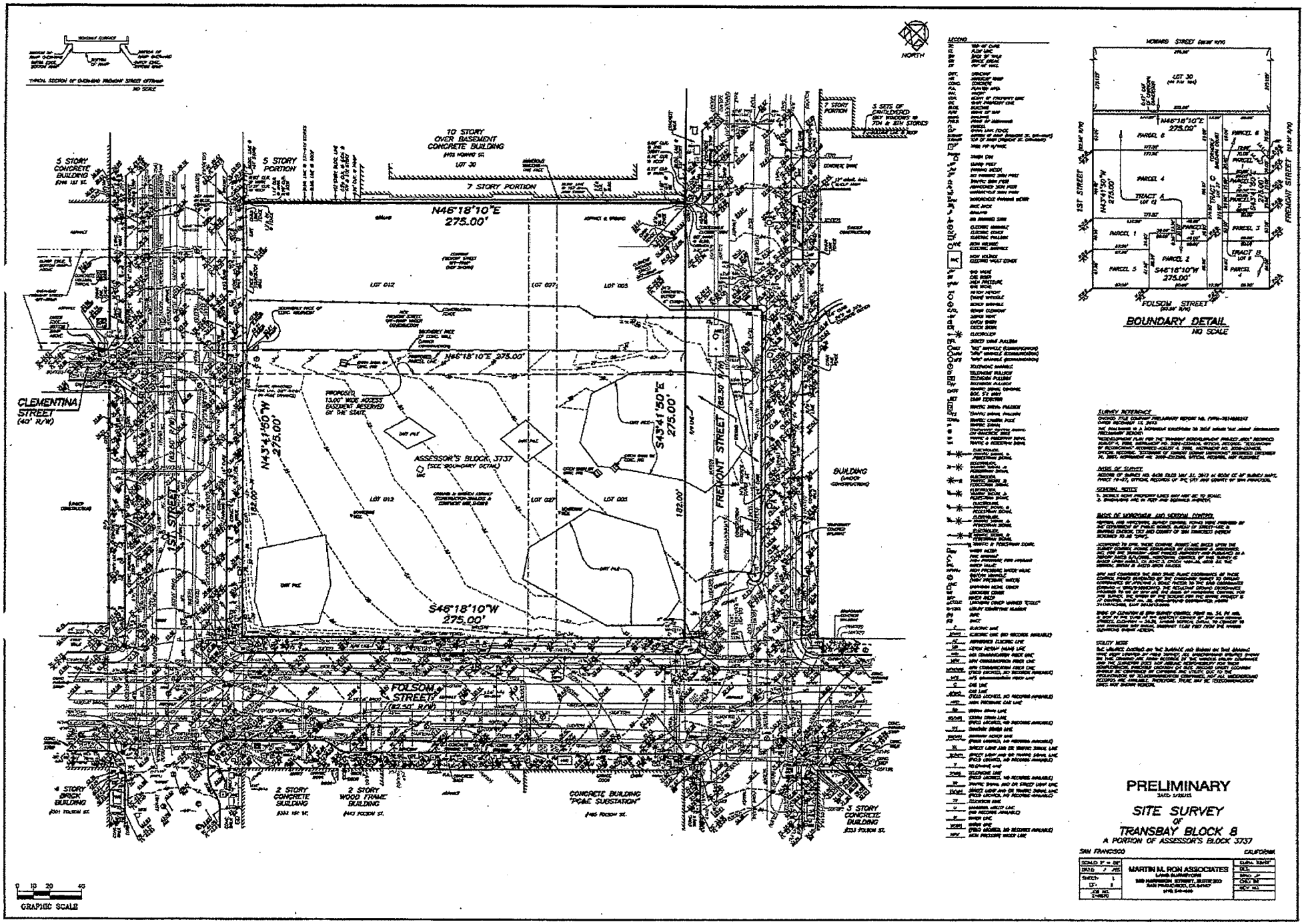
Nothing in this Section J shall be interpreted to allow a taxpayer to bring a claim that would otherwise be barred by applicable statutes of limitation set forth in the Act or elsewhere in applicable law.

ATTACHMENT 18

Intentionally Omitted

ATTACHMENT 19-A

ALTA Survey



NORTH
10 STORY OVER BASEMENT CONCRETE BUILDING
LOT 30
7 STORY PORTION
5 STORY CONCRETE BUILDING
5 STORY PORTION
N46°18'10"E 275.00'
LOT 012
LOT 027
LOT 005
N46°18'10"E 275.00'
CLEMENTINA STREET (40' R/W)
N43°41'50"W 275.00'
S43°41'50"E 275.00'
ASSESSOR'S BLOCK 3737 (SEE BOUNDARY DETAIL)
FREMONT STREET
1ST STREET
182.00'
S46°18'10"W 275.00'
FOLSOM STREET (82.50' R/W)
BUILDING (UNDER CONSTRUCTION)
4 STORY BRICK BUILDING
2 STORY CONCRETE BUILDING
2 STORY WOOD FRAME BUILDING
CONCRETE BUILDING "PG&E SUBSTATION"
3 STORY CONCRETE BUILDING
GRAPHIC SCALE
LEGEND
HOWARD STREET
LOT 30
N46°18'10"E 275.00'
PARCEL 6
PARCEL 4
TRACT A
PARCEL 1
PARCEL 2
PARCEL 3
PARCEL 5
S46°18'10"W 275.00'
1ST STREET
FREMONT STREET
FOLSOM STREET
BOUNDARY DETAIL
NO SCALE
SURVEY REFERENCE
BASIS OF SURVEY
GENERAL NOTES
BASIS OF HORIZONTAL AND VERTICAL CONTROL
UTILITY NOTE
PRELIMINARY
SITE SURVEY OF TRANSBAY BLOCK 8
A PORTION OF ASSESSOR'S BLOCK 3737
SAN FRANCISCO
CALIFORNIA
MARTIN M. RON ASSOCIATES
LAND SURVEYORS

ATTACHMENT 19-B

Preliminary Title Report

CHICAGO TITLE COMPANY

PRELIMINARY REPORT

In response to the application for a policy of title insurance referenced herein, ***Chicago Title Company*** *hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(ies) of title insurance to be issued hereunder will be policy(ies) of Chicago Title Insurance Company, a Nebraska corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Chicago Title Insurance Company

By:

President

Countersigned By:

Authorized Officer or Agent

Attest:

Secretary

Visit Us on our Website: www.ctic.com

CHICAGO TITLE COMPANY

ISSUING OFFICE: 2150 John Glenn Drive, Suite 400, Concord, CA 94520

FOR SETTLEMENT INQUIRIES, CONTACT:
Chicago Title Company
455 Market Street, Suite 2100 • San Francisco, CA 94105
• FAX

Another Prompt Delivery From Chicago Title Company Title Department
Where Local Experience And Expertise Make A Difference

PRELIMINARY REPORT

Title Officer: Jeff Martin
Title No.: FWPN-TO15000477-JM

Escrow Officer: Terina Kung
E-Mail: kungt@ctt.com
Escrow No.: 160350305

TO: Chicago Title Company
455 Market Street, Suite 2100
San Francisco, CA 94105
Attn: Terina Kung

PROPERTY ADDRESS(ES): TRANSBAY BLOCK 8, San Francisco, CA

EFFECTIVE DATE: March 18, 2015 at 07:30AM

The form of policy or policies of title insurance contemplated by this report is:

CLTA Standard Coverage Policy 1990 (04-08-14)

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

   A Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

   State of California

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

   SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): Lot 005, Block 3737, Lot 012, Block 3737 and Lot 027, Block 3737

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

PARCEL ONE:

BEGINNING AT A POINT ON THE NORTHEASTERLY LINE OF FIRST STREET, DISTANT THEREON 61 FEET AND 6 INCHES NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF FOLSOM STREET; AND RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF FIRST STREET, 48 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE NORTHEASTERLY 137 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 23 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 50 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 25 FEET; AND THENCE AT A RIGHT ANGLE SOUTHWESTERLY 87 FEET AND 6 INCHES TO THE POINT OF BEGINNING.

BEING PART OF 100 VARA BLOCK NO. 342.

PARCEL TWO:

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF FOLSOM STREET, DISTANT THEREON 87 FEET AND 6 INCHES NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF FIRST STREET; RUNNING THENCE NORTHEASTERLY ALONG SAID LINE OF FOLSOM STREET, 90 FEET TO THE SOUTHWESTERLY LINE OF BALDWIN COURT; THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE OF BALDWIN COURT, 80 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 40 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 6 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 50 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 86 FEET AND 6 INCHES TO THE POINT OF BEGINNING.

BEING PART OF 100 VARA BLOCK NO. 342.

PARCEL THREE:

BEGINNING AT A POINT ON THE SOUTHWESTERLY LINE OF BALDWIN COURT, DISTANT THEREON 80 FEET NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF FOLSOM STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF BALDWIN COURT, 30 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 40 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 30 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 40 FEET TO THE POINT OF BEGINNING.

BEING PART OF 100 VARA BLOCK NO. 342.

PARCEL FOUR:

BEGINNING AT A POINT ON THE NORTHEASTERLY LINE OF FIRST STREET, DISTANT THEREON 110 FEET NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF FOLSOM STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF FIRST STREET, 100 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 177 FEET AND 6 INCHES TO THE SOUTHWESTERLY LINE OF BALDWIN COURT; THENCE AT A RIGHT ANGLE SOUTHEASTERLY, ALONG SAID LINE OF BALDWIN COURT, 100 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 177 FEET AND 6 INCHES TO THE POINT OF BEGINNING.

BEING PART OF 100 VARA BLOCK NO. 342.

PARCEL FIVE:

EXHIBIT "A"

Legal Description
(continued)

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF FIRST STREET WITH THE NORTHWESTERLY LINE OF FOLSOM STREET; RUNNING THENCE NORTHWESTERLY ALONG THE NORTHEASTERLY LINE OF FIRST STREET, 61 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE NORTHEASTERLY 87 FEET AND 6 INCHES; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 61 FEET AND 6 INCHES TO THE NORTHWESTERLY LINE OF FOLSOM STREET; THENCE SOUTHWESTERLY ALONG THE NORTHWESTERLY LINE OF FOLSOM STREET, 87 FEET AND 6 INCHES TO THE POINT OF BEGINNING.

BEING PART OF 100 VARA BLOCK NO. 342.

PARCEL SIX:

BEGINNING AT A POINT ON THE NORTHEASTERLY LINE OF FIRST STREET, DISTANT THEREON 210 FEET NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF FOLSOM STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF FIRST STREET, 65 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 177 FEET AND 6 INCHES TO THE SOUTHWESTERLY LINE OF BALDWIN COURT; THENCE SOUTHEASTERLY ALONG SAID LINE OF BALDWIN COURT, 65 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 177 FEET AND 6 INCHES TO THE POINT OF BEGINNING.

BEING PART OF 100 VARA BLOCK NO. 342.

PARCEL SEVEN:

BEGINNING AT A POINT ON THE SOUTHWESTERLY LINE OF FREMONT STREET, DISTANT THEREON 180 FEET NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF FOLSOM STREET; RUNNING THENCE SOUTHWESTERLY, AT RIGHT ANGLES TO SAID LINE OF FREMONT STREET, 80 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 30 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 70 FEET; THENCE IN AN EASTERLY DIRECTION, 14.14 FEET TO A POINT ON THE SOUTHWESTERLY LINE OF FREMONT STREET, DISTANT THEREON 200 FEET NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF FOLSOM STREET; THENCE SOUTHEASTERLY ALONG SAID LINE OF FREMONT STREET, 20 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF 50 VARA LOT NO. 715 IN BLOCK NO. 342 OF THE 100 VARA SURVEY.

PARCEL EIGHT:

COMMENCING AT A POINT ON THE SOUTHWESTERLY LINE OF FREMONT STREET, DISTANT THEREON 155 FEET NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF FOLSOM STREET; RUNNING THENCE NORTHWESTERLY AND ALONG SAID LINE OF FREMONT STREET, 25 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 80 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 25 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 80 FEET TO THE POINT OF COMMENCEMENT.

BEING PART OF 50 VARA LOT NO. 715 IN BLOCK NO. 342 OF THE 100 VARA SURVEY.

PARCEL NINE:

BEGINNING AT A POINT ON THE SOUTHWESTERLY LINE OF FREMONT STREET, DISTANT THEREON 80 FEET NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF FOLSOM STREET; RUNNING THENCE NORTHWESTERLY AND ALONG SAID LINE OF FREMONT STREET, 50 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 80 FEET TO THE NORTHEASTERLY LINE OF BALDWIN COURT; THENCE AT A RIGHT ANGLE SOUTHEASTERLY, ALONG SAID LINE OF BALDWIN COURT, 50 FEET; THENCE AT A RIGHT

EXHIBIT "A"

Legal Description
(continued)

ANGLE NORTHEASTERLY 80 FEET TO THE POINT OF BEGINNING.

BEING PART OF 100 VARA BLOCK NO. 342.

PARCEL TEN:

BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHWESTERLY LINE OF FREMONT STREET AND THE NORTHWESTERLY LINE OF FOLSOM STREET; RUNNING THENCE SOUTHWESTERLY ALONG THE NORTHWESTERLY LINE OF FOLSOM STREET, 80 FEET TO THE NORTHEASTERLY LINE OF BALDWIN COURT; THENCE AT A RIGHT ANGLE NORTHWESTERLY, ALONG THE NORTHEASTERLY LINE OF BALDWIN COURT, 80 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 80 FEET TO THE SOUTHWESTERLY LINE OF FREMONT STREET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY, ALONG THE SOUTHWESTERLY LINE OF FREMONT STREET, 80 FEET TO THE POINT OF BEGINNING.

BEING PORTION OF 100 VARA BLOCK NO. 342.

PARCEL ELEVEN:

BEGINNING AT A POINT ON THE SOUTHWESTERLY LINE OF FREMONT STREET, DISTANT THEREON 130 FEET NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF FOLSOM STREET; RUNNING THENCE NORTHWESTERLY AND ALONG SAID LINE OF FREMONT STREET, 25 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 80 FEET TO THE NORTHWESTERLY LINE OF BALDWIN COURT; THENCE AT A RIGHT ANGLE SOUTHEASTERLY, ALONG SAID LINE OF BALDWIN COURT, 25 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 80 FEET TO THE POINT OF BEGINNING.

BEING PART OF 50 VARA LOTS NO. 715 AND 716 IN BLOCK NO. 342 OF THE 100 VARA SURVEY.

PARCEL TWELVE:

BEGINNING AT A POINT ON THE SOUTHWESTERLY LINE OF FREMONT STREET, DISTANT THEREON 200 FEET NORTHWESTERLY FROM THE NORTHWESTERLY LINE OF FOLSOM STREET; RUNNING THENCE NORTHWESTERLY ALONG SAID LINE OF FREMONT STREET, 75 FEET; THENCE AT A RIGHT ANGLE SOUTHWESTERLY 80 FEET TO THE NORTHEASTERLY LINE OF BALDWIN COURT;THENCE AT A RIGHT ANGLE SOUTHEASTERLY, ALONG SAID LINE OF BALDWIN COURT, 65 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 70 FEET; THENCE EASTERLY, IN A DIRECT LINE, 14.14 FEET TO THE POINT OF BEGINNING.

BEING PART OF 100 VARA BLOCK NO. 342.

TRACT THIRTEEN:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHWESTERLY LINE OF FOLSOM STREET WITH THE FORMER NORTHEASTERLY LINE OF BALDWIN COURT, AS SAID COURT EXISTED PRIOR TO THE VACATION OF SAME BY ABOVE MENTIONED RESOLUTION; AND THENCE RUNNING SOUTHWESTERLY ALONG SAID NORTHWESTERLY LINE OF FOLSOM STREET, 17.50 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 275.00 FEET TO THE FORMER NORTHWESTERLY TERMINAL LINE OF SAID BALDWIN COURT; THENCE AT A RIGHT ANGLE NORTHEASTERLY, ALONG SAID TERMINAL LINE, 17.50 FEET TO SAID FORMER NORTHEASTERLY LINE OF BALDWIN COURT; THENCE AT A RIGHT ANGLE SOUTHEASTERLY, ALONG LAST SAID FORMER LINE, 275.00 FEET TO THE POINT OF BEGINNING.

BEING FORMER BALDWIN COURT VACATED BY THE AFOREMENTIONED RESOLUTION.

AT THE DATE HEREOF, EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2015-2016.

2. There were no taxes levied for the fiscal year 2014-2015 as the property was vested in a public entity.

3. The herein described property lies within the boundaries of a Mello Roos Community Facilities District ("CFD"), as follows:

   CFD No: 90 1
   For: School Facility Repair and Maintenance

   This property, along with all other parcels in the CFD, is liable for an annual special tax. This special tax is included with and payable with the general property taxes of the City and County of San Francisco. The tax may not be prepaid.

   Further information may be obtained by contacting:

   Chief Financial Officer
   San Francisco Unified School District
   135 Van Ness Ave. - Room 300
   San Francisco, CA 94102
   Phone (415) 241-6542

4. The herein described property lies within the boundaries of a Community Facilities District ("CFD"), as follows:

   CFD No: 2014-1
   For: Transbay Transit Center
   Recorded: January 22, 2015
   Recording No.: 2015-K010238-00, of Official Records

   This property, along with all other parcels in the CFD, is liable for an annual special tax. This special tax is included with and payable with the general property taxes of the City and County of San Francisco. The tax may not be prepaid.

   Further information may be obtained by contacting:

   Director of the Office of Public Finance
   City and County of San Francisco
   1 Dr. Carlton B. Goodlett Place
   San Francisco, CA 94102
   Phone (415) 554-5956

   Reference is also made to the boundary map of the CFD recorded on July 29, 2014, in Book 001, Page 75 and 76 of the Book of Maps of Assesssment and Community Facility Districts if the Office of the Assessors-Records.

5. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation Code of the State of California.

EXCEPTIONS
(continued)

6. Prior to close of escrow, please contact the Tax Collector's Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.

7. Any right, title or interest of persons, known or unknown, who claim or may claim adversely to the vested owners herein by reason of the record title to said property not having been established and quieted under the provisions of the "Destroyed Land Records Relief Act of 1906, and Amended", commonly known as the "McEnerney Act".

   Affects: PARCEL THIRTEEN

8. A notice that said Land is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document

   Recording Date: August 4, 2006
   Recording No.: 2006-I224836, of Official Records
   Redevelopment Agency: Transbay Project Area

   "Declaration of Restrictions" thereunder, recorded August 4, 2006, Instrument No. 2006-I224839, Official Records.

   "Statement of Eminent Domain Limitation" thereunder, recorded December 31, 2007, Instrument No. 2007-I512986, Official Records.

9. Any rights, interests, or claims which may exist or arise by reason of the following matters disclosed by survey,

   Job No.: _____
   Dated: _____
   Prepared by: _____
   Matters shown:

   _____
   _____
   _____
   _____

   The Company will require a final survey signed by the surveyor prior to the issunace of any title insurance policy.

10. The effect of the Record of Survey No. 6428, filed May 31, 2012, Map Book EE, Pages 19 through 27.

EXCEPTIONS
(continued)

11. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

12. Matters which may be disclosed by an inspection and/or by a correct ALTA/ACSM Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

13. The Company will require that an Owner's Affidavit be completed by the party(s) named below before the issuance of any policy of title insurance.

Party(ies): State of California

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit.

14. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.

15. The transaction contemplated in connection with this Report is subject to the review and approval of the Company's Corporate Underwriting Department. The Company reserves the right to add additional items or make further requirements after such review.

END OF EXCEPTIONS

NOTES

Note 1. If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.

Note 2. Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirements cannot be met, please call the company at the number provided in this report.

Note 3. Your application for title insurance was placed by reference to only a street address or tax identification number. Based on our records, we believe that the legal description in this report covers the parcel(s) of Land that you requested. If the legal description is incorrect, the seller/borrower must notify the Company and/or the settlement company in order to prevent errors and to be certain that the correct parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.

Note 4. ***IMPORTANT RECORDING NOTE***

Please send all original documents for Chicago Title San Francisco County for recordings to the following office:

Pasion Recording Service
1390 Market Street #112
San Francisco, CA. 94102
Attn: Recording Desk/Sean Murphy
Phone: (415) 431-4742
Fax: (415) 552-2373

Please direct all other title communication and copies of documents, including recording release instructions, policy write-up instructions and settlement statements, to the Title Only Department at the issuing office.

Note 5. Property taxes, including any personal property taxes and any assessments collected with taxes are as follows:

Tax Identification No.:	Lot 005, Block 3737
Fiscal Year:	2014-2015
1st Installment:	$0.00 NO TAXES DUE
2nd Installment:	$0.00 NO TAXES DUE
Exemption:	$0.00
Land:	$0.00
Improvements:	$0.00
Personal Property:	$0.00
Bill No.:	128103

Affects: A portion of the Land described herein.

NOTES
(continued)

Note 6. Property taxes, including any personal property taxes and any assessments collected with taxes are as follows:

Tax Identification No.:	Lot 012, Block 3737
Fiscal Year:	2014-2015
1st Installment:	$0.00 NO TAXES DUE
2nd Installment:	$0.00 NO TAXES DUE
Exemption:	$0.00
Land:	$0.00
Improvements:	$0.00
Personal Property:	$0.00
Bill No.:	128104

Affects: A portion of the Land described herein.

Note 7. Property taxes, including any personal property taxes and any assessments collected with taxes are as follows:

Tax Identification No.:	Lot 027, Block 3737
Fiscal Year:	2014-2015
1st Installment:	$0.00 NO TAXES DUE
2nd Installment:	$0.00 NO TAXES DUE
Exemption:	$0.00
Land:	$0.00
Improvements:	$0.00
Personal Property:	$0.00
Bill No.:	128105

Affects: A portion of the Land described herein.

Note 8. Note: The name(s) of the proposed insured(s) furnished with this application for title insurance is/are:

No names were furnished with the application. Please provide the name(s) of the buyers as soon as possible.

Note 9. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

Note 10. Your application for title insurance was placed by reference to only a street address or tax identification number. Based on our records, we believe that the legal description in this report covers the parcel(s) of Land that you requested. If the legal description is incorrect, the seller/borrower must notify the Company and/or the settlement company in order to prevent errors and to be certain that the correct parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.

Note 11. Note: The charge for a policy of title insurance, when issued through this title order, will be based on the Basic Title Insurance Rate.

END OF NOTES

FIDELITY NATIONAL FINANCIAL
PRIVACY NOTICE
Effective: January 6, 2015

Order No.: FWPN-TO15000477-

Fidelity National Financial, Inc. and its majority-owned subsidiary companies providing real estate- and loan-related services (collectively, "FNF", "our" or "we") respect and are committed to protecting your privacy. This Privacy Notice lets you know how and for what purposes your Personal Information (as defined herein) is being collected, processed and used by FNF. We pledge that we will take reasonable steps to ensure that your Personal Information will only be used in ways that are in compliance with this Privacy Notice. The provision of this Privacy Notice to you does not create any express or implied relationship, or create any express or implied duty or other obligation, between Fidelity National Financial, Inc. and you. See also **No Representations or Warranties** below.

This Privacy Notice is only in effect for any generic information and Personal Information collected and/or owned by FNF, including collection through any FNF website and any online features, services and/or programs offered by FNF (collectively, the "Website"). This Privacy Notice is not applicable to any other web pages, mobile applications, social media sites, email lists, generic information or Personal Information collected and/or owned by any entity other than FNF.

How Information is Collected

The types of personal information FNF collects may include, among other things (collectively, "Personal Information"): (1) contact information (*e.g.*, name, address, phone number, email address); (2) demographic information (*e.g.*, date of birth, gender marital status); (3) Internet protocol (or IP) address or device ID/UDID; (4) social security number (SSN), student ID (SIN), driver's license, passport, and other government ID numbers; (5) financial account information; and (6) information related to offenses or criminal convictions.

In the course of our business, we may collect Personal Information about you from the following sources:

- Applications or other forms we receive from you or your authorized representative;
- Information we receive from you through the Website;
- Information about your transactions with or services performed by us, our affiliates, or others; and
- From consumer or other reporting agencies and public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others.

Additional Ways Information is Collected Through the Website

Browser Log Files. Our servers automatically log each visitor to the Website and collect and record certain information about each visitor. This information may include IP address, browser language, browser type, operating system, domain names, browsing history (including time spent at a domain, time and date of your visit), referring/exit web pages and URLs, and number of clicks. The domain name and IP address reveal nothing personal about the user other than the IP address from which the user has accessed the Website.

Cookies. From time to time, FNF or other third parties may send a "cookie" to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive and that can be re-sent to the serving website on subsequent visits. A cookie, by itself, cannot read other data from your hard disk or read other cookie files already on your computer. A cookie, by itself, does not damage your system. We, our advertisers and other third parties may use cookies to identify and keep track of, among other things, those areas of the Website and third party websites that you have visited in the past in order to enhance your next visit to the Website. You can choose whether or not to accept cookies by changing the settings of your Internet browser, but some functionality of the Website may be impaired or not function as intended. See the Third Party Opt Out section below.

Web Beacons. Some of our web pages and electronic communications may contain images, which may or may not be visible to you, known as Web Beacons (sometimes referred to as "clear gifs"). Web Beacons collect only limited information that includes a cookie number; time and date of a page view; and a description of the page on which the Web Beacon resides. We may also carry Web Beacons placed by third party advertisers. These Web Beacons do not carry any Personal Information and are only used to track usage of the Website and activities associated with the Website. See the Third Party Opt Out section below.

Unique Identifier. We may assign you a unique internal identifier to help keep track of your future visits. We may use this information to gather aggregate demographic information about our visitors, and we may use it to personalize the information you see on the Website and some of the electronic communications you receive from us. We keep this information for our internal use, and this information is not shared with others.

Third Party Opt Out. Although we do not presently, in the future we may allow third-party companies to serve advertisements and/or collect certain anonymous information when you visit the Website. These companies may use non-personally identifiable information (*e.g.*, click stream information, browser type, time and date, subject of advertisements clicked or scrolled over) during your visits to the Website in order to provide advertisements about products and services likely to be of greater interest to you. These companies typically use a cookie or third party Web Beacon to collect this information, as further described above. Through these technologies, the third party may have access to and use non-personalized information about your online usage activity.

You can opt-out of online behavioral services through any one of the ways described below. After you opt-out, you may continue to receive advertisements, but those advertisements will no longer be as relevant to you.

- You can opt-out via the Network Advertising Initiative industry opt-out at http://www.networkadvertising.org/.
- You can opt-out via the Consumer Choice Page at www.aboutads.info.
- For those in the U.K., you can opt-out via the IAB UK's industry opt-out at www.youronlinechoices.com.
- You can configure your web browser (Chrome, Firefox, Internet Explorer, Safari, etc.) to delete and/or control the use of cookies.

More information can be found in the Help system of your browser. Note: If you opt-out as described above, you should not delete your cookies. If you delete your cookies, you will need to opt-out again.

PRIVACY NOTICE
(continued)

Use of Personal Information
Information collected by FNF is used for three main purposes:

- To provide products and services to you or one or more third party service providers (collectively, "Third Parties") who are obtaining services on your behalf or in connection with a transaction involving you.
- To improve our products and services that we perform for you or for Third Parties.
- To communicate with you and to inform you about FNF's, FNF's affiliates and third parties' products and services.

When Information Is Disclosed By FNF
We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To agents, brokers, representatives, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers who provide services or perform marketing services or other functions on our behalf;
- To law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court orders; and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

In addition to the other times when we might disclose information about you, we might also disclose information when required by law or in the good-faith belief that such disclosure is necessary to: (1) comply with a legal process or applicable laws; (2) enforce this Privacy Notice; (3) respond to claims that any materials, documents, images, graphics, logos, designs, audio, video and any other information provided by you violates the rights of third parties; or (4) protect the rights, property or personal safety of FNF, its users or the public.

We maintain reasonable safeguards to keep the Personal Information that is disclosed to us secure. We provide Personal Information and non-Personal Information to our subsidiaries, affiliated companies, and other businesses or persons for the purposes of processing such information on our behalf and promoting the services of our trusted business partners, some or all of which may store your information on servers outside of the United States. We require that these parties agree to process such information in compliance with our Privacy Notice or in a similar, industry-standard manner, and we use reasonable efforts to limit their use of such information and to use other appropriate confidentiality and security measures. The use of your information by one of our trusted business partners may be subject to that party's own Privacy Notice. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

We also reserve the right to disclose Personal Information and/or non-Personal Information to take precautions against liability, investigate and defend against any third-party claims or allegations, assist government enforcement agencies, protect the security or integrity of the Website, and protect the rights, property, or personal safety of FNF, our users or others.

We reserve the right to transfer your Personal Information, as well as any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets. We also cannot make any representations regarding the use or transfer of your Personal Information or other information that we may have in the event of our bankruptcy, reorganization, insolvency, receivership or an assignment for the benefit of creditors, and you expressly agree and consent to the use and/or transfer of your Personal Information or other information in connection with a sale or transfer of some or all of our assets in any of the above described proceedings. Furthermore, we cannot and will not be responsible for any breach of security by any third parties or for any actions of any third parties that receive any of the information that is disclosed to us.

Information From Children
We do not collect Personal Information from any person that we know to be under the age of thirteen (13). Specifically, the Website is not intended or designed to attract children under the age of thirteen (13). You affirm that you are either more than 18 years of age, or an emancipated minor, or possess legal parental or guardian consent, and are fully able and competent to enter into the terms, conditions, obligations, affirmations, representations, and warranties set forth in this Privacy Notice, and to abide by and comply with this Privacy Notice. In any case, you affirm that you are over the age of 13, as **THE WEBSITE IS NOT INTENDED FOR CHILDREN UNDER 13 THAT ARE UNACCOMPANIED BY HIS OR HER PARENT OR LEGAL GUARDIAN.**

Parents should be aware that FNF's Privacy Notice will govern our use of Personal Information, but also that information that is voluntarily given by children - or others - in email exchanges, bulletin boards or the like may be used by other parties to generate unsolicited communications. FNF encourages all parents to instruct their children in the safe and responsible use of their Personal Information while using the Internet.

Privacy Outside the Website
The Website may contain various links to other websites, including links to various third party service providers. FNF is not and cannot be responsible for the privacy practices or the content of any of those other websites. Other than under agreements with certain reputable organizations and companies, and except for third party service providers whose services either we use or you voluntarily elect to utilize, we do not share any of the Personal Information that you provide to us with any of the websites to which the Website links, although we may share aggregate, non-Personal Information with those other third parties. Please check with those websites in order to determine their privacy policies and your rights under them.

European Union Users
If you are a citizen of the European Union, please note that we may transfer your Personal Information outside the European Union for use for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information, you consent to both our collection and such transfer of your Personal Information in accordance with this Privacy Notice.

PRIVACY NOTICE
(continued)

Choices With Your Personal Information

Whether you submit Personal Information to FNF is entirely up to you. You may decide not to submit Personal Information, in which case FNF may not be able to provide certain services or products to you.

You may choose to prevent FNF from disclosing or using your Personal Information under certain circumstances ("opt out"). You may opt out of any disclosure or use of your Personal Information for purposes that are incompatible with the purpose(s) for which it was originally collected or for which you subsequently gave authorization by notifying us by one of the methods at the end of this Privacy Notice. Furthermore, even where your Personal Information is to be disclosed and used in accordance with the stated purposes in this Privacy Notice, you may elect to opt out of such disclosure to and use by a third party that is not acting as an agent of FNF. As described above, there are some uses from which you cannot opt-out.

Please note that opting out of the disclosure and use of your Personal Information as a prospective employee may prevent you from being hired as an employee by FNF to the extent that provision of your Personal Information is required to apply for an open position.

If FNF collects Personal Information from you, such information will not be disclosed or used by FNF for purposes that are incompatible with the purpose(s) for which it was originally collected or for which you subsequently gave authorization unless you affirmatively consent to such disclosure and use.

You may opt out of online behavioral advertising by following the instructions set forth above under the above section "Additional Ways That Information Is Collected Through the Website," subsection "Third Party Opt Out."

Access and Correction

To access your Personal Information in the possession of FNF and correct inaccuracies of that information in our records, please contact us in the manner specified at the end of this Privacy Notice. We ask individuals to identify themselves and the information requested to be accessed and amended before processing such requests, and we may decline to process requests in limited circumstances as permitted by applicable privacy legislation.

Your California Privacy Rights

Under California's "Shine the Light" law, California residents who provide certain personally identifiable information in connection with obtaining products or services for personal, family or household use are entitled to request and obtain from us once a calendar year information about the customer information we shared, if any, with other businesses for their own direct marketing uses. If applicable, this information would include the categories of customer information and the names and addresses of those businesses with which we shared customer information for the immediately prior calendar year (*e.g.*, requests made in 2015 will receive information regarding 2014 sharing activities).

To obtain this information on behalf of FNF, please send an email message to privacy@fnf.com with "Request for California Privacy Information" in the subject line and in the body of your message. We will provide the requested information to you at your email address in response.

Please be aware that not all information sharing is covered by the "Shine the Light" requirements and only information on covered sharing will be included in our response.

Additionally, because we may collect your Personal Information from time to time, California's Online Privacy Protection Act requires us to disclose how we respond to "do not track" requests and other similar mechanisms. Currently, our policy is that we do not recognize "do not track" requests from Internet browsers and similar devices.

No Representations or Warranties

By providing this Privacy Notice, Fidelity National Financial, Inc. does not make any representations or warranties whatsoever concerning any products or services provided to you by its majority-owned subsidiaries. In addition, you also expressly agree that your use of the Website is at your own risk. Any services provided to you by Fidelity National Financial, Inc. and/or the Website are provided "as is" and "as available" for your use, without representations or warranties of any kind, either express or implied, unless such warranties are legally incapable of exclusion. Fidelity National Financial, Inc. makes no representations or warranties that any services provided to you by it or the Website, or any services offered in connection with the Website are or will remain uninterrupted or error-free, that defects will be corrected, or that the web pages on or accessed through the Website, or the servers used in connection with the Website, are or will remain free from any viruses, worms, time bombs, drop dead devices, Trojan horses or other harmful components. Any liability of Fidelity National Financial, Inc. and your exclusive remedy with respect to the use of any product or service provided by Fidelity National Financial, Inc. including on or accessed through the Website, will be the re-performance of such service found to be inadequate.

Your Consent To This Privacy Notice

By submitting Personal Information to FNF, you consent to the collection and use of information by us as specified above or as we otherwise see fit, in compliance with this Privacy Notice, unless you inform us otherwise by means of the procedure identified below. If we decide to change this Privacy Notice, we will make an effort to post those changes on the Website. Each time we collect information from you following any amendment of this Privacy Notice will signify your assent to and acceptance of its revised terms for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you may submit in any manner that we may choose without notice or compensation to you.

If you have additional questions or comments, please let us know by sending your comments or requests to:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer
(888) 934-3354 privacy@fnf.com

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ATTACHMENT ONE

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

   (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims, or other matters:
   (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
   (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
   (c) resulting in no loss or damage to the insured claimant;
   (d) attaching or created subsequent to Date of Policy; or
   (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.

4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.

5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.

6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.

2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.

3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.

4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.

5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

6. Any lien or right to a lien for services, labor or material not shown by the public records.

ATTACHMENT ONE
(CONTINUED)

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
   a. building;
   b. zoning;
   c. land use;
   d. improvements on the Land;
   e. land division; and
   f. environmental protection.

   This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
   a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
   b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
   c. that result in no loss to You; or
   d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
   a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   b. in streets, alleys, or waterways that touch the Land.

   This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

ATTACHMENT ONE
(CONTINUED)

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or $2,500.00 (whichever is less)	$10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or $5,000.00 (whichever is less)	$25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or $5,000.00 (whichever is less)	$25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or $2,500.00 (whichever is less)	$5,000.00

ATTACHMENT ONE
(CONTINUED)

AMERICAN LAND TITLE ASSOCIATION
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)

EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
   - land use
   - improvements on the land
   - land division
   - environmental protection

   This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at policy date.

   This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
   - a notice of exercising the right appears in the public records on the Policy Date
   - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowledge of the taking
3. Title Risks:
   - that are created, allowed, or agreed to by you
   - that are known to you, but not to us, on the Policy Date-unless they appeared in the public records
   - that result in no loss to you
   - that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
   - to any land outside the area specifically described and referred to in Item 3 of Schedule A

   or
   - in streets, alleys, or waterways that touch your land

   This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

ATTACHMENT ONE
(CONTINUED)

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

ATTACHMENT ONE
(CONTINUED)

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

ATTACHMENT ONE
(CONTINUED)

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (iii) the subdivision of land; or
   (iv) environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured mortgage, is
   (a) a fraudulent conveyance or fraudulent transfer, or
   (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Companies
CTC – Chicago Title Company
CLTC – Commonwealth Land Title Company
FNTC – Fidelity National Title Company
FNTCCA – Fidelity National Title Company of California
TICOR – Ticor Title Company of California
LTC – Lawyer's Title Company

Underwritten by FNF Underwriters
CTIC – Chicago Title Insurance Company
CLTIC – Commonwealth Land Title Insurance Company
FNTIC – Fidelity National Title Insurance Company
FNTIC – Fidelity National Title Insurance Company
CTIC – Chicago Title Insurance Company
CLTIC – Commonwealth Land Title Insurance Company

Available Discounts

CREDIT FOR PRELIMINARY TITLE REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (CTIC, FNTIC)
Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within twelve (12) to thirty-six (36) months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge.

DISASTER LOANS (CTIC, CLTIC, FNTIC)
The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)
On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be thirty-two percent (32%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.

ASSESSOR-RECORDER'S OFFICE

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CITY & COUNTY ASSESSOR 1998

3737

100 VARA BLK. 342

REVISED 1970

Revised '99

Revised 2001

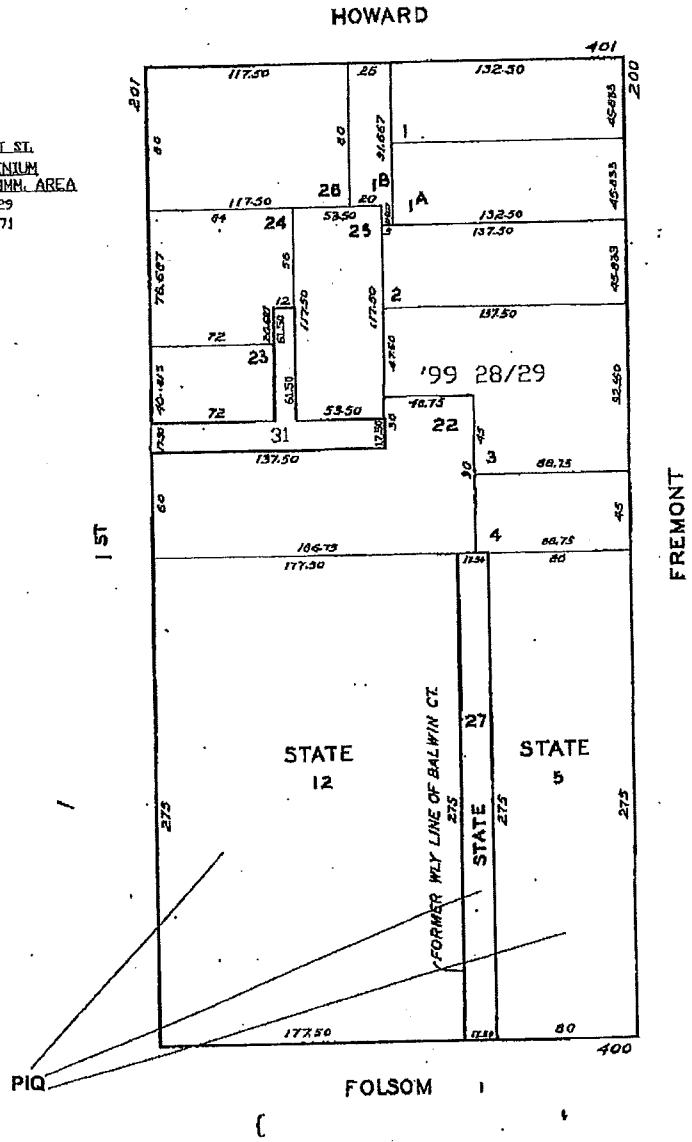
LOTS MERGED

LOT 11 INTO LOT 10 - 1943
LOTS 13-17, 19-20 INTO LOT 12 - 1948
LOTS 6-10 " " 5 - 1956
LOTS 18, 21/21A " " 12 - 1956

lot 3 into lots 28/29 for 1999 roll
lot31 created from street vacation

224-236 FREMONT ST.
A CONDOMINIUM

LOT	UNIT	% COMM. AREA
28	1	47.29
29	2	52.71



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ATTACHMENT 20

Form of Deed Restriction re Taxes

Free Recording Requested Pursuant to
Government Code Section 27383 at the
Request of the Transbay Joint Powers Authority

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Transbay Joint Powers Authority
201 Mission Street, Suite 2100
San Francisco, CA 94105
Attn: Maria Ayerdi-Kaplan

(Space above this line for Recorder's use)

Transbay Block 8
portions of Block 3737 Lot 005, 012, and 027

DECLARATION OF DEED RESTRICTION REGARDING PROPERTY TAXES

THIS DECLARATION OF DEED RESTRICTIONS REGARDING PROPERTY TAXES ("**Declaration Regarding Taxes**") is made as of the [•] day of October, 2015, by Owner.

The following are covenants and restrictions affecting that property situated in the City and County of San Francisco, State of California commonly knowns as "Transbay Block 8", also known as portions of Lots 005, 012, and 027 in Assessor's Block 3737, and more particularly described in Exhibit A attached hereto and made a part hereof ("**Property**"). The Property is owned by Transbay 8 Urban Housing LLC, a Delaware limited liability company ("**Owner**") and is an approximately [____]-square-foot parcel on Folsom Street between First and Fremont Streets, located two blocks south of the future Transbay Transit Center and within the Transbay Redevelopment Project Area in the City and County of San Francisco, State of California.

WITNESSETH:

A. WHEREAS, in furtherance of the objectives of the Community Redevelopment Law of the State of California, the Redevelopment Agency of the City and County of San Francisco ("**Former Agency**") undertook a program to redevelop and revitalize blighted areas in San Francisco and in connection therewith adopted a redevelopment project area known as the Transbay Redevelopment Project Area ("**Project Area**"); and

B. WHEREAS, the Former Agency, acting through the Board of Supervisors of the City and County of San Francisco, approved a Redevelopment Plan for the Project Area by Ordinance No. 124-05, adopted on June 21, 2005 and by Ordinance No. 99-06, adopted on May 9, 2006 ("**Redevelopment Plan**"). Said Redevelopment Plan was filed in the Office of the Recorder of the City and County of San Francisco ("**Official Records**"); and

C. WHEREAS, per the Redevelopment Plan for the Project Area and the Transbay Redevelopment Project Tax Increment and Sales Proceeds Pledge Agreement ("**Pledge**

Agreement") between the Former Agency, the Transbay Joint Powers Authority ("**TJPA**"), and the City and County of San Francisco ("**City**"), land sale and net tax increment revenue generated by the parcels in the Project Area that are currently or formerly owned by the State of California ("**State**") has been pledged to the TJPA to help pay the cost of building the Transbay Transit Center, which is generally located on real property in the City and County of San Francisco between Beale, Second, Mission, and Howard Street ("**Transit Center Property**"); and

D. WHEREAS, in 2003, the TJPA, the City, and the State, acting by and through its Department of Transportation ("**Caltrans**"), entered into a Cooperative Agreement, which sets forth the process for the transfer of the State-owned parcels to the City and the TJPA ("**Cooperative Agreement**"). The Cooperative Agreement provides, inter alia, that the Transbay Transit Center construction costs would be partly financed by funds generated by the adoption of a redevelopment plan; in particular, the Cooperative Agreement anticipates a redevelopment plan that dedicates net tax increment and gross sales proceeds from the sale of the formerly State-owned parcels be dedicated to the Transbay Transit Center; and

E. WHEREAS, in 2005, the TJPA and the Former Agency entered into the Transbay Redevelopment Project Implementation Agreement ("**Implementation Agreement**") which requires the Successor Agency to the Redevelopment Agency of the City and County of San Francisco ("**Successor Agency**"), as successor in interest to the Former Agency, to prepare and sell the formerly State-owned parcels and to construct and fund new infrastructure improvements (such as parks and streetscapes) and to meet affordable housing obligations. Subsequently, in 2008, the TJPA, the City and the Former Agency entered into an Option Agreement for the Purchase and Sale of Real Property ("**Option Agreement**"), which sets forth the process for the transfer of certain of the formerly State-owned parcels to the Former Agency, and now to the Successor Agency, to facilitate the sale of the parcels to private developers. In 2015, the TJPA, the City, and the Successor Agency entered into a first amendment to the Option Agreement; and

F. WHEREAS, on January 1, 2010, TJPA entered a Transportation Infranstructure Finance and Innovation Loan Agreement with the United States Department of Transportation (as amended, "**TIFIA Loan**"), which pledges certain property tax increment revenue attributable to certain State-owned parcels (the "**Net Tax Increment**") as security for the payment of the loan under the federal TIFIA program for the Transbay Transit Center project. In 2014, the TJPA and the TIFIA Loan lender entered into two amendments to the TIFIA Loan. On January 22, 2015, the TJPA entered into an interim financing with Goldman Sachs Bank USA and Wells Fargo Bank, National Association on parity with the TIFIA Loan and secured, in part, by the Net Tax Increment.The TIFIA Loan has a term that expires no later than February 1, 2052, but which term may expire at an earlier date pursuant to the terms of the TIFIA Loan; and

G. WHEREAS, a condition of the TIFIA Loan requires the Successor Agency to record a deed restriction for the term of the TIFIA Loan on each current or formerly State-owned parcel transferred to the City or the TJPA under the Cooperative Agreement and that is the subject of a Disposition and Development Agreement that such property will not be used, in whole or in part, by any entity or for a purpose that will result in an exemption from the payment of real estate taxes being granted in any amount, without the prior written consent of the lender under the TIFIA Loan, with the exception of the following: (1) property that is used for infrastructure and

other public facilities and (2) property that is used for the production of affordable housing, as contemplated by the Redevelopment Plan. The Property is subject to that certain Disposition and Development Agreement by and between the Successor Agency and Transbay 8 Urban Housing LLC, a Delaware limited liability company, dated as of [•], 2015, and recorded on [•], 2015 in the Office of the Recorder of the City and County of San Francisco, as Document No. [•] of the Official Records ("**DDA**"), which provides for the development on the Property of, among other things, an affordable project ("**Affordable Project**") as well as certain residential units in an 80/20 mixed-income project that will be occupied by certain qualified low income tenants at affordable rents ("**BMR Units**"), and that such Affordable Project and BMR Units may be eligible for, and the Owner will apply for and expects to receive, an exemption from real property taxes as to such Affordable Project and BMR Units. The Affordable Project and BMR Units are contemplated by the Redevelopment Plan; and

H. WHEREAS, the Property is made up of formerly State-owned parcels deeded to Owner pursuant to the terms of the DDA. Pursuant to the Pledge Agreement, certain property tax increment revenue attributable to the Property is pledged to the TJPA to help pay the cost of building the Transbay Transit Center. Pursuant to the TIFIA Loan, certain property tax increment revenue attributable to the Property is pledged for repayment of the TIFIA Loan during the term of the TIFIA Loan; and

I. WHEREAS, for the purpose of ensuring that certain property tax increment revenue attributable to the Property will be pledged to help pay the cost of building the Transbay Transit Center; to safeguard such revenue for the benefit of the Transbay Transit Center, the Transit Center Property, and the public; to ensure the best use and the most appropriate development and improvement of the Property as described in the Redevelopment Plan; to ensure the highest and best development of the Property; and, in general, to provide adequately for a high type and quality of improvement on the Property and further the objectives of the Redevelopment Plan, the Owner, in accordance with the terms and conditions set forth in the DDA, seeks to subject the Property to the covenants, conditions and restrictions hereinafter set forth, each and all of which is and are for the benefit of the Property and the Transit Center Property and for each owner thereof and shall inure to the benefit of the Property and the Transit Center Property and for each owner thereof and pass with said Property and each and every parcel thereof, and shall apply to and bind the successors in interest and any owner of the Property.

NOW, THEREFORE, the Owner hereby declares that the Property is and shall be held, transferred, sold, and conveyed, subject to the covenants and restrictions, hereinafter set forth:

1. Property Subject to This Declaration Regarding Taxes

The Property is and shall be held, conveyed, transferred and sold subject to the covenants and restrictions of this Declaration Regarding Taxes.

2. Restrictions on Use Affecting Taxes

The Property will not be used, in whole or in part, by any entity or for a purpose that will result in an exemption from the payment of real estate taxes being granted in any amount, without the

prior written consent of the lender under the TIFIA Loan, with the exception of the following: (1) property (or portions thereof) that is used for infrastructure and other public facilities and (2) property (or portions thereof) that is used for the production of affordable housing, as contemplated by the Redevelopment Plan. The Affordable Project and the BMR Units are affordable units as contemplated by the Redevelopment Plan. The Affordable Project and the BMR Units may be eligible for and the Owner and its successors in interest may, without the prior consent of the lender under the TIFIA Loan and without being in violation of this Declaration Regarding Taxes, apply for, obtain, and utilize the exemption from real property taxes for the Affordable Project and the BMR Units.

3. General Provisions

a. Term

The covenants contained in this Declaration Regarding Taxes are to run with the land and shall be binding on all parties and all persons claiming under them during the term of the TIFIA Loan, which expires on the date that is the earlier of (i) February 1, 2052, or (ii) the date when the TJPA makes the last payment required under the terms of the TIFIA Loan ("**TIFIA Loan Termination**"). On or as soon as practicable following the TIFIA Loan Termination but in no event later than thirty (30) days after the TIFIA Loan Termination, the TJPA shall provide Owner (x) written notice of the expiration of the term of the TIFIA Loan, and (y) a document in recordable form reasonably acceptable to each of TJPA and Owner to release the Property from this Declaration Regarding Taxes, which document TJPA and/or Owner may record in the Official Records of the City and County of San Francisco, provided, however, the convenants contained in this Declaration Regarding Taxes will automatically terminate notwithstanding a failure to provide or record such document.

b. Enforcement

In the event Owner fails to comply with the covenants described herein, Successor Agency and the TJPA shall give Owner written notice of such failure which notice shall specify in detail all alleged failures to comply. Owner shall have sixty (60) days from Owner's receipt of such written notice from the Successor Agency and the TJPA to so comply or such additional time as is reasonably necessary to comply. If Owner fails to cure the alleged failures within the sixty (60) day period or such longer period as allowed hereunder, the Successor Agency and the TJPA, each on its own behalf , singly or collectively, may, at any time, prosecute any proceedings in law or in equity in case of any violation or attempt to violate any of the covenants contained herein.

c. Notice

All notices or other written communications hereunder shall be deemed to have been properly given (a) upon delivery, if delivered in person or by facsimile transmission with receipt acknowledged by the recipient thereof, (b) one (1) business day after having been deposited for overnight delivery with any reputable overnight courier service, or (c) three (3) business days after having been deposited in any post office or mail depository regularly maintained by the

U.S. Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Owner:Transbay 8 Urban Housing, LLC
c/o Related California Urban Housing, LLC
18201 Von Karman Ave, Suite 900
Irvine, CA 92612
Attention: William A. Witte, President
Telephone: (949) 660-7272
Facsimile: (949) 660-7273

With a copy to:
Related California Urban Residential
44 Montgomery Street, Suite 1050
San Francisco, CA 94104
Telephone: (415) 677-5100
Attention: Greg Vilkin, President

And to:
Related Companies
60 Columbus Circle
New York, NY 10023
Telephone: (212) 801-3478
Attention: Jennifer McCool, General Counsel

With a copy to Owner's legal counsel:
SSL Law Firm, LLP
575 Market Street, Suite 2700
San Francisco, CA 94105
Attention: Jodi B. Fedor
Telephone: (415) 243-2087
Facsimile: (650) 240-1831

If to the TJPA:
Transbay Joint Powers Authority
201 Mission Street Suite 2100
San Francisco, CA 94105
Attn: Executive Director
Fax No.: 415-597-4615

With a copy to TJPA's legal counsel:
Shute, Mihaly & Weinberger LLP
396 Hayes Street
San Francisco, CA 94102
Attention: Deborah Miller
Fax No.: 415-552-5816

or addressed as such party may from time to time designate by written notice to the other parties. Any party by notice to the others may designate additional or different addresses for subsequent notices or communications.

d. Foreclosure and Enforcement of Liens

The provisions of this Declaration Regarding Taxes do not limit the rights of any lender who is the beneficiary of any deed of trust recorded on the Property or any portion thereof, holder of any mortgage recorded on the Property or any portion thereof, or in whose favor any encumbrance on the Property or portion thereof runs, nor shall a breach of this Declaration Regarding Taxes impair or invalidate the lien of any such mortgage, deed of trust or other encumbrance or the rights of such obligees to pursue any remedies for the enforcement of any lien or encumbrance upon the Property; provided, however, that in the event of a foreclosure sale under any such mortgage, deed of trust, or other lien or encumbrance or a sale pursuant to any power of sale contained in any such mortgage or deed of trust, the purchaser or purchasers and their successors and assigns, and the Property, shall be and shall continue to be, subject to all of the conditions, restrictions, and covenants herein provided for.

e. Covenants Run With Land

All covenants contained in this Declaration Regarding Taxes shall be covenants running with the land.

f. Covenants For Benefit of the TJPA and the Successor Agency

All covenants in this Declaration Regarding Taxes shall be binding for the benefit of the TJPA and the Successor Agency, and such covenants shall run in favor of the TJPA and the Successor Agency for the entire period during which such covenants shall be in force and effect, without regard to whether the TJPA or Successor Agency is or remains an owner of any land or interest therein to which such covenants relate.

g. Dissolution

In the event that the Successor Agency or the TJPA is dissolved or their respective designation changed by or pursuant to law prior to the expiration of the term of the TIFIA Loan, such agency's powers, duties, rights, and functions under this Declaration Regarding Taxes shall be transferred pursuant to any applicable provisions of such laws.

h. Severability of Provisions

If any provision of this Declaration Regarding Taxes or the application of such provision to any owner or owners or parcel of land is held invalid, the validity of the remainder of this Declaration Regarding Taxes and the applicability of such provision to any other owner or owners or parcel of land shall not be affected thereby.

[NO FURTHER TEXT ON THIS PAGE]

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed as of the day and year first written above.

OWNER:

Transbay 8 Urban Housing LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 2015, before me, _____, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT "A"

Property Legal Description

ATTACHMENT 21

Form of Declaration of Affordability Restrictions

ATTACHMENT 21

Form of Declaration of Affordability Restrictions

Free Recording Requested Pursuant to Government Code Section 27383 at the Request of the Successor Agency to the Redevelopment Agency of the City and County of San Francisco

WHEN RECORDED, MAIL TO:

Successor Agency to the Redevelopment Agency of the City and County of San Francisco
One South Van Ness Ave., 5th Floor
San Francisco, CA 94103

Attention: Executive Director

(Space above this Line Reserved for Recorder's Use)

Dated: _____

DECLARATION OF AFFORDABILITY RESTRICTIONS
Transbay Block 8 (Assessor's Block 3737, Portions of Lots 005, 012, and 027) Affordable Housing

THIS DECLARATION OF RESTRICTIONS ("Declaration") is made as of _____, 2015, by TRANSBAY 8 URBAN HOUSING LLC, a Delaware limited liability company, ("Developer"), in favor of the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, hereafter referred to as the Office of Community Investment and Infrastructure, a public body, organized and existing under the laws of the State of California ("OCII"), including any successors or assigns. The restrictions and covenants stated herein shall bind the Developer and its successors and assigns ("Covenantor") and shall be enforceable by OCII and its successors and assigns, which will include the Mayor's Office of Housing and Community Development ("Covenantee").

A. OCII and Developer are entering into a Disposition and Development Agreement dated as of _____ (the "DDA" or "Agreement"), for the transfer of fee title of the real property described in **Exhibit A** attached hereto and incorporated herein by reference (the fee interest in the land, the "Property") for the development of a residential project with up to 554 total units (the "Project") comprised of up to124 market rate condominiums ("Market-Rate Condo Project"), 280 market-rate rental units and 70 units ("BMR Units") affordable to households earning up to a mix of up to 40% and 50% Area Median Income (the "80/20 Project"), and 80 residential rental units affordable up to 50% Area Median Income. The Agreement is incorporated by reference in this Declaration as though fully set forth in this

Declaration. Definitions and rules of interpretation set forth in the Agreement apply to this Declaration.

B. Pursuant to the Agreement, Developer has agreed to comply with certain restrictions contained herein commencing on the date on which the Declaration is recorded in the Recorder's Office of San Francisco County, and continuing for the life of the Project and in no event less than 55 years (the "Compliance Term").

C. Under Section 34176(e) of the California Health and Safety Code, restrictions on the use of real property for the benefit of low- and moderate-income households are Housing Assets that OCII will transfer to the Mayor's Office of Housing and Community Development ("MOHCD") as the "Housing Successor" upon completion of the Project.

NOW, THEREFORE, DEVELOPER AGREES AND COVENANTS AS FOLLOWS:

1. BMR UNITS.

1.1 BMR Units. The occupancy of seventy (70) BMR Units in the Project located on the Property shall be restricted to housing for low income persons households at Affordable Rents, as described in Section 3.3 below.

1.2 Term. BMR Units shall remain available at Affordable Rents for the Compliance Term.

1.3 Placement of Units. The BMR Units shall be on the lower 7 floors of the Project.

1.4 Size and Finishes of Units. In addition and consistent with the Inclusionary Housing Requirement in the Redevelopment Plan and the Request For Proposal, BMR Units shall be provided in the same proportion to the Market Rate Units in the 80/20 Project in the mix of unit types (based solely on the number of bedrooms in a unit). The interior features of the BMR Units shall be be new and of good quality in terms of performance, durability and appearance and consistent with current industry standards for new multi-family rental housing.

2. MARKETING PLAN AND TENANT SELECTION PLAN

2.1 Marketing Plan. Within one month of the commencement of construction of the BMR Units, Covenantor must deliver to OCII for OCII's and MOHCD's review and approval which approval shall not be unreasonably withheld, conditioned, or delayed, a draft affirmative marketing plan for initial and ongoing marketing, that includes early outreach to potential BMR Unit tenants as well as a plan to provide, or make referrals to, services to potential BMR Unit tenants to improve their ability to become successful tenants of the BMR Units (the "Marketing Plan") and a written Tenant selection procedure for initial and ongoing renting of the BMR Units (the "Tenant Selection Plan"), all in compliance with the restrictions set forth in this Declaration and in form and substance reasonably acceptable to OCII and MOHCD. The Tenant Selection Plan must include minimum income requirements that are no more restrictive than requiring a

minimum income that is two times the rent, and must include tenant based rent subsidies as income. Additionally ability to pay rent based on rental history of paying a similar or higher rent or other demonstrable methods of rent payment such as participation in money management shall be considered mitigating circumstances related to minimum income and must be evaluated prior to denial of housing. Prior to the completion of the Project and the transfer of these covenants to MOHCD, Covenantor must obtain OCII's approval, which approval shall not be unreasonably withheld, conditioned, or delayed, of reasonable alterations to the Marketing Plan or the Tenant Selection Plan. Developer must obtain MOHCD's approval, which approval shall not be unreasonably withheld, conditioned, or delayed of reasonable alterations to the Marketing Plan or the Tenant Selection Plan after the transfer of these covenants to MOHCD. Covenantor must market and rent the BMR Units in the manner set forth in the Marketing Plan and the Tenant Selection Plan (both of which must include the preference requirements described below in Section 2.2). Before marketing any BMR Units, Developer must provide to OCII before transfer of the covenants, and to MOHCD after transfer of the covenants, with updated implementation and contact information.

2.2 Affirmative Marketing Plan Requirements. Covenantor's Marketing Plan must address how Covenantor intends to market vacant BMR Units and any opportunity for placement on the Waiting List, as defined in 2.3. The Marketing Plan shall include as many of the following elements as are appropriate to the BMR Units, as reasonably determined by OCII and consistent with OCII and MOHCD policies and procedures related to marketing of affordable units, and shall include Covenantor's plan to provide assistance to applicants throughout the marketing process:

(a) First preference, in the following order of priority for (1) Successor Agency Certificate of Preference Holders ("COP") under the Property Owner and Occupant Preference Program, as reprinted September 11, 2008 and effective October 1, 2008, as approved by Agency Resolution No. 57-2008; (2) Ellis Act Housing Preference ("EAHP") certificate holders in conformance with both priorities listed above and the policies established for the EAHP Program under OCII Resolution No. 64-2014 ((Aug. 5, 2014); (3) San Francisco residents; and, (4) members of the general public. These preferences shall only be included so long as the application of such elements will not cause the Affordable Project to be in violation of the Fair Housing Act, the requirements of the tax exempt bond law and regulations, and/or the low income housing tax credit law and regulations.

(b) Specifically for COP and EAHP certificate holders, the Covenantor shall make support services staff available to provide assistance throughout the application process, as it may be needed, with the goal of maximizing COP and EAHP participation to the extent possible. The Covenantor shall ensure that COP and EAHP holders are aware that such assistance is available.

(c) A reasonable accommodations policy that indicates how Covenantor intends to market BMR Units to disabled individuals, including an indication of the types of accessible BMR Units, the procedure for applying, and a policy giving disabled individuals a priority in the occupancy of accessible BMR Units.

(d) Advertising in local neighborhood newspapers, community-oriented radio stations, on the internet and social media as appropriate, and in other media that are likely to reach low-income households. All advertising must display the Equal Housing Opportunity logo.

(d) Notices to neighborhood-based, nonprofit housing corporations and other low-income housing advocacy organizations that maintain waiting lists or make referrals for below-market-rate housing.

(e) Notices to the San Francisco Housing Authority (the "SFHA").

(f) Notices to MOHCD.

(g) To the extent practicable, without holding BMR Units off the market, the community outreach efforts listed above must take place before advertising vacant BMR Units or open spots on the Waiting List to the general public.

(h) An acknowledgement that, with respect to vacant BMR Units, the marketing elements listed above shall only be implemented if there are no qualified applicants interested or available from the Waiting List.

2.3 Marketing Records. Covenantor must keep records of: (a) activities implementing the affirmative marketing plan; (b) advertisements; and (c) other community outreach efforts. These records shall be retained for not more than three (3) years.

2.4 Waiting List. Covenantor's Tenant Selection Plan must contain, at a minimum, policies and criteria that provide for the selection of tenants from a written waiting list in the chronological order of their application (the "Waiting List"). The Tenant Selection Plan may allow an applicant to refuse an available unit for good cause without losing standing on the Waiting List but shall limit the number of refusals without cause as approved by MOHCD, which approval shall not be unreasonably withheld, conditioned, or delayed. Covenantor shall at all times maintain the Waiting List. Upon the vacancy of any BMR Unit, Borrower shall first attempt to select the new Tenant for such BMR Unit from the Waiting List, and shall only market the unit to the general public after determining that no applicants from the Waiting List qualify for such unit. The Waiting List must be kept on file at the BMR Units at all times.

3. AFFORDABILITY AND OTHER LEASING RESTRICTIONS.

3.1 Term of Leasing Restrictions. Covenantor acknowledges and agrees that the covenants and other leasing restrictions set forth in this Declaration will remain in full force and effect for the Compliance Term.

3.2 Developer's Covenant.

(a) Covenantor covenants to rent all BMR Units at all times to households certified as Qualified Tenants. "Qualified Tenants" means a tenant household, earning no more than the maximum permissible annual income level of (i) 40% of Area Median Income for 11 (eleven) units as determined by the California Tax Credit Allocation Committee ("CTCAC"), and (ii) 50% of Area Median Income for 59 (fifty-nine) units 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 MOHCD ("Area Median Income" applicable for each individual unit being defined hereunder as the applicable income level for such specific unit).

(b) A Tenant who is a Qualified Tenant at initial occupancy may not be required to vacate the BMR Unit due to subsequent rises in household income, except as provided in Section 3.3 (b). After the over-income Tenant (as defined by a Tenant exceeding the Area Median Income, as defined in Section 3.2 (a)) vacates the BMR Unit, the vacant BMR Unit must be rented only to Qualified Tenants.

3.3 Rent Restrictions.

(a) Maximum Rent charged to each Qualified Tenant may not exceed 30% of the applicable Area Median Income set forth above, adjusted for assumed household size, or the fair market rent established by the San Francisco Housing Authority for Qualified Tenants holding Section 8 vouchers or certificates.

(b) Unless prohibited under any applicable Law, each residential lease must provide for termination of the lease upon 120 days' prior written notice in the event that Covenantor's annual income certification indicates that the Tenant's household income exceeds 120 percent of Median Income subject to the requirements of Section 42 of the Internal Revenue Code.

(c) Annual Rent increases for BMR Units will be limited as follows:

(i) for all BMR Units annual Rent increases will be limited to the lesser of: (A) the amount which would result in a rent equal to the Maximum Rent permitted for the unit under this Section or (B) the amount which corresponds to the percentage of the annual increase in the applicable Area Median Income ; and,

(ii) for BMR Units occupied by over-income Tenants whose income is not less than sixty percent (60%) of the applicable Area Median Income, rent charged shall not exceed thirty percent (30%) of sixty percent (60%) of the applicable Area Median Income, or per the applicable tax credit regulatory agreement requirements.

(d) With the MOHCD's prior written approval and in accordance with maximum rent limitations set forth in this Section and all applicable restrictions, rent increases for BMR Units exceeding the amounts permitted under this Section will be permitted to recover

increases in Project Expenses, but in no event may single or aggregate increases exceed ten percent (10%) per year, unless such an increase is contemplated in a MOHCD-approved temporary relocation plan or when the increase is caused by an increase in certified income. MOHCD approval for such rent increases that are necessary to meet all approved Project Expenses and financial obligations shall not be unreasonably withheld.

3.4 Certification.

(a) As a condition to initial occupancy, each person who desires to be a Qualified Tenant in the Project must be required to sign and deliver to Covenantor a certification in which the prospective Qualified Tenant certifies that he/she or his/her household qualifies as a Qualified Tenant. In addition, each person must be required to provide any other information, documents or certifications deemed necessary by OCII or MOHCD to substantiate the prospective Tenant's income.

(b) Each Qualified Tenant in the Project must recertify to Covenantor on an annual basis his/her household income.

(c) Income certifications with respect to each Qualified Tenant who resides in a BMR Unit or resided therein during the immediately preceding calendar year must be maintained on file at Covenantor's principal office, and Covenantor must file or cause to be filed copies thereof with MOHCD promptly upon request by the MOHCD.

3.5 Form of Lease. The form of lease for Tenants must provide for termination of the lease and consent to immediate eviction for failure to qualify as a Qualified Tenant if the Tenant has made any material misrepresentation in the initial income certification. The term of the lease must be for a period of not less than one (1) year. Covenantor may not terminate the tenancy or refuse to renew any lease of a BMR Unit except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Laws or other good cause. Any termination or refusal to renew the lease for a BMR Unit must be preceded by not less than thirty (30) days' written notice to the Tenant specifying the grounds for the action except in exigent circumstances, based on an actual risk to life and safety to other tenants, are determined in good faith by Convenantor, in which case not less that three (3) days' notice may be given. The form of lease for any BMR Unit that has received an allocation of tax credits must provide that the Tenant agrees that the lease may be terminated upon 120 days' notice if the Tenant's certified household income exceeds 120 percent of Median Income and must specify that it may only be terminated in accordance with the requirements of Section 42 of the Internal Revenue Code.

3.6 Nondiscrimination. Covenantor agrees:

(a) not to discriminate against or permit discrimination against any person or group of persons because of race, color, creed, national origin, ancestry, age, sex, sexual orientation, disability, gender identity, height, weight, source of income or acquired immune deficiency syndrome (AIDS) or AIDS related condition (ARC) in the operation and use of the Project except to the extent permitted by law or required by any other funding source for the Project.

Covenantor agrees not to discriminate against or permit discrimination against Tenants using Section 8 certificates or vouchers or assistance through other rental subsidy programs; and

(b) not to discriminate against or segregate any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926,12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Site nor shall the Covenantor or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed.

3.7 Security Deposits. Security deposits may be required of Tenants only in accordance with applicable 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 Tenants and disbursed in accordance with California law. The balance in the trust Account must at all times equal or exceed the aggregate of all security deposits collected plus accrued interest thereon, less any security deposits returned to Tenants.

4. COVENANTS.

4.1 Restrictions. The restrictions set forth in this Declaration shall run with the Property and shall be binding on all parties having or acquiring any right, title or interest in the Property or any part thereof and shall inure to the benefit of each owner thereof and their successors and assigns.

5. REMEDIES.

During the term of the DDA and prior to the transfer of the housing restrictions in this Declaration to MOHCD as described in Recital C, in the event Covenantor fails to comply with the covenants described herein, OCII, shall give Covenantor written notice of such failure which notice shall specify in detail all alleged failures to comply. Covenantor shall have thirty (30) days from Covenantor's receipt of such written notice from OCII to so comply or such additional time as is reasonably necessary to comply . If Covenantor fails to cure the alleged failures within the thirty (30) day period or such longer period as allowed hereunder, OCII, at its option, may exercise any rights available under the DDA, or at equity or in law, including, without limitation, instituting an action for specific performance. The prevailing party in any such action to enforce the terms of this Declaration shall be entitled to recover its reasonable attorney's fees and costs incurred in such action, including any arbitration or mediation thereof, and all appeals.

Subsequent to the transfer of housing restrictions in this Declaration to MOHCD as described in Recital C, in the event that Covenantor fails to comply with the covenants described herein, MOHCD shall give Covenantor written notice of such failure which notice shall specify in detail all alleged failures to comply. Covenantor shall have thirty (30) days from Covenantor's receipt of such written notice from MOHCH to comply or such additional time as is reasonable necessary to comply. If Covenantor fails to cure the alleged failures within the thirty (30) day period or such longer period as allowed hereunder, MOHCD at its option may

exercise any rights available at equity or in law, including, without limitation, instituting an action for specific performance. The prevailing party in any such action to enforce the terms of this Declaration shall be entitled to recover its reasonable attorney's fees and costs incurred in such action, including any arbitration or mediation thereof, and all appeals.

6. GOVERNING LAW.

This Declaration shall be governed and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, Developer has executed this instrument the day and year first hereinabove written.

"DEVELOPER"

LEAD DEVELOPER:

TRANSBAY 8 URBAN HOUSING, LLC,
a Delaware Limited Liability Company

By:_____
Its:

AFFORDABLE DEVELOPER

Tenderloin Neighborhood Development Corporation, a
California non-profit public benefit corporation

By_____
Its:

EXHIBIT A

(Legal Description of the Property)

ATTACHMENT 22

MOHCD Underwriting Guidelines

Mayor's Office of Housing and San Francisco Redevelopment Agency
Underwriting Guidelines

The following guidelines are intended to assist applicants for capital financing to prepare financing requests to the Mayor's Office of Housing (MOH) or the San Francisco Redevelopment Agency (SFRA). These guidelines will also be used by MOH or SFRA staff for purposes of evaluating funding requests and presenting them to the Citywide Affordable Housing Loan Committee for consideration. The Loan Committee maintains the right to set final terms and conditions for commitment of funds based on the actual circumstances of each project. These guidelines are subject to change without notice.

I. GENERAL FINANCING TERMS

A. Term

1. Deferred Loan or Grant Term: 40-75 years, depending on borrower's request and source of funds

2. Regulatory Agreement Term: 55 years minimum, 75 years for HOME regardless of repayment unless tax credit project, then 55 years for HOME

3. Amortized Loan Term[1]: Match to Section 8 contract term (e.g. 5 years for typical Shelter Plus Care contract, 10 years for SFHA Section 8 contract)

B. Interest Rate

1. Deferred Loan Interest Rate
   - Minimum: 0% simple interest
   - Standard Rate: 3% simple interest
   - Maximum: 30-year Treasury + 1%, compounded
     (To be determined based on borrower's ability to repay.)

2. Amortized Loan Interest Rate
   - Interest Rate: Like-term Treasury plus one percent, rate set one week prior to Citywide Loan Committee review
   - Conversion: If rent/operating-subsidy terminated, then City amortized loan converts to 3% interest, repayable from residual receipts with principal and interest due at term

3. Predevelopment Loan Interest Rate
   - Minimum: 0% simple interest
   - Standard Rate: 3% simple interest
   - Maximum: May be set at a rate appropriate to accommodate tax credit loss requirements for the project.
     (To be determined based on borrower's request and ability to repay.)

C. Repayment

1. Default Loan Repayment: From residual receipts with principal and interest due at term. (See separate Residual Receipts Policy.)

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[1] For developments with project based rent subsidies that can support scheduled debt payments. If rent-subsidy is terminated amortized loan converts to deferred loan.

II. RESIDENTIAL DEVELOPMENT PROFORMA ASSUMPTIONS

A. Debt Service Coverage Ratio (DSC)

1. Minimum: 1.10:1 except when CalHFA has approved a 1.05:1 DSC.

2. Maximum: 1.15:1.

3. Calculation Method: DSC should be calculated after accounting for reserve deposits. In the case of subordinate amortized loans, DSC should be calculated using cash flow remaining after debt service on 1st mortgage. The goal in all cases is to maximize the amount of leveraged debt.

B. Reserves

1. Capitalized Operating Reserves: 25% of budgeted 1st full year operating expenses (including debt service, if any) in interest-bearing account with provision that annual deposits must also be made if the balance drops below the original amount. [Note: HOME and CDBG funds cannot be used for capitalized operating reserves.]

2. Operating Reserve Deposits: None unless balance drops below 25% of prior year's operating expenses (including debt service, if any). Any such required payments would be made from cash flow that remains after all other required payments are made (e.g. debt service, other reserve payments, etc.). The rate of replenishment would be 1/12th of 3% of the prior year's operating expenses (including debt service payments).

3. Capitalized Replacement Reserves
   - (New Construction): None
   - (Acquisition Rehab): $1,000 per unit, including existing reserve, if any, at time of acquisition.

4. Replacement Reserve Deposits
   - (New Construction): Lesser of 0.6% of unit construction cost, defined as all hard construction costs excluding cost of site work and podium foundations but including construction contingency, or the following amounts (expressed as per unit per year). After the first 10-years of operation, the sponsor may request adjustments to the above amounts every five (5) years based on a 20-year capital needs assessment (CNA).

Units	Family	SROs	Senior
<5	600	550	500
<20	500	450	400
<50	450	400	350
<100	400	350	300
100+	350	300	250

Replacement Reserve Deposits (continued)

- (Acquisition Rehab): The higher of the amount needed according to an approved 20-year CNA or the amounts listed in the table above as permitted by the available cash

flow. May be updated every three (3) years based on a revised CNA acceptable to City/Agency.

5. Rent Reserve Deposits
   - (Shelter Plus Care): Borrower may request funding of a Rent Subsidy Reserve that would cover a 12-month transition to 40% AMI Underlying Rents.
   - Section 8 Reserve: None allowed for contracts for 10 years or more, except if required by DHCD/MHP and tax credit investor.

C. Fees

1. Developer Fee: see separate Developer Fee Policy.

2. Partnership Management Fee: $17,500/year, 3% annual growth.

3. Asset Management Fee: see separate Asset Management Fee Policy.

4. Construction Management Fee: A maximum of $2,000/month up to $20,000 to provide for periodic plan review, cost estimate analysis, permit expediting, bid analysis and value engineering during design development and construction document preparation plus up to $3,500 per month for the scheduled duration of construction. The fee may be increased if the form of GC contract is stipulated sum being awarded through an open and competitive process and a CM is used for more extensive design consultation.

D. Contingencies

1. Bid Contingency (All Projects): 5% Bid Contingency to be removed at the earlier of construction contract signing or 30 days prior to construction start.

2. Construction Contingency
   - Purpose: Contingency for unforeseen conditions, minor errors and omissions and voluntary owner upgrades. Any contingency remaining after completion of construction must be returned to the City.
   - New Construction: 5% of construction contract.
   - Rehabilitation: 15% of construction contract.
   - Limits on Voluntary Owner Upgrades: Voluntary owner upgrades are limited to an aggregate amount that does not exceed the amount returned to the City, if any.

3. Soft Cost Contingency: 10% of soft costs, excluding developer and administrative fees, construction loan interest, and reserves for projects costing $5 million or more. May be increase for smaller projects.

E. Furnishings

1. Unit Furnishings: Not a permitted use of MOH/SFRA funds unless housing is designed to serve extremely low income or homeless households. Assume $2,000 per unit for SROs and group homes, $1,500 for family units, and $1,000 per unit for all others.

2. Common Area Furnishings: For new construction, assume budget equal to $1,000 per unit. For rehab, must be based on actual need but not to exceed above amount.

III. RESIDENTIAL OPERATING PROFORMA ASSUMPTIONS

A. **Vacancy Allowance**:

- Use TCAC underwriting standards except for projects with rent subsidy contracts of five (5) or more years.

B. **Increases in Gross Income**

- 2.5% annually, or as modified by TCAC.

C. **Increases in Operating Expenses**

- 3.5% annually, or as modified by TCAC.

IV. OTHER UNDERWRITING GUIDELINES

A. **Architect and Engineering Fees:** Basic Services for architect contracts is defined in MOH and SFRA's Guidelines for Architect and Engineering Basic Services attached hereto. Architect contracts should be full-service and include all consultants except for those excluded in MOH/SFRA's guidelines and design/build consultants and use standard AIA forms (or approved equivalent). Owner addenda are encouraged, including requiring the architect to design to a specified construction budget. Contracts should be signed as early in the process as possible and no later than the completion of schematic design. Additional services will be allowed if there are significant changes in the A/E scope. Fees for Architecture/Engineering services should follow the schedule set forth in the Guidelines for Architect and Engineering Basic Services' **Exhibit A.**

B. **General Contractor Fees/Price**

1. Selection of contractor by RFP: When the developer selects the contractor through negotiated bid process, the RFP should require competitive cost proposals that specify Overhead, Profit and General Conditions percentages and identify all schedule of values line items that are excluded from these categories. The RFP should also specify the contractor's fee for pre-construction services. The fee is a criterion, but not the sole criterion for selection. Selection process and selection results must by approved by City/Agency with respect to MBE/WBE participation, wage requirements and proposed contract price.

2. Overhead, Profit and General Conditions Price: For New Construction, these costs may not exceed 14% of the Contract Price (or as modified by TCAC); for Rehabilitation, developer should compare these costs to comparable other recent developments.

3. Contractor's Contingency: Should be considered part of the general contractor's fee and included in the "Overhead, Profit and General Conditions Price". Not permitted if OH&P and General Conditions exceed 14%.

4. Subcontractor's Prices: When determining final Contract Price and identifying dollar amounts of Contractor's fees, scheduled values should reflect when appropriate, actual subcontractor prices without any general contractor's markup. City/Agency reserve the right to review all bids.

C. Project Management Capacity: Developer's project manager must have experience with at least one comparable, successfully completed project or be assisted by a consultant or other staff person with greater experience and adequate time to commit. When using a consultant, the consultant's resume should demonstrate that the consultant has successfully completed managing all aspects of at least two (2) comparable development projects in the recent past.

D. Construction Management: Developer must identify specific staff or consultant(s) who will provide construction management functions on behalf of the owner, including: permit applications and expediting, cost analysis, completion evaluations, change order evaluations, scope analysis and schedule analysis.

V. COMMERCIAL PROFORMA ASSUMPTIONS

A. Vacancy Allowance

- Assume 40% for first year. Assume 7% annual loss after first year for stronger retail areas, 10-20% for weaker areas. When leases are in place, these assumptions may be revised.

B. Debt Service Coverage

- Minimum 1.20:1 unless master lease. Maximum 1.40:1. Goal is to maximize commercial (non-City/Agency) debt borrowed against commercial income.

C. Income/Expense Growth Rates

- Assume similar to residential.

D. Commercial Reserve Deposits

- Should be funded in addition to residential reserves if significant amount of commercial space is leased to third party.

1. Tenant Improvements Reserve: Under Negotiation (see attached)
2. Replacement Reserve
   - Initial Deposit funded at 0.6% of shell replacement cost.
     Annual Deposits are not applicable.
3. Operating Reserve
   - None recommended for NNN leases. Some may be required for full service leases.

Mayor's Office of Housing and San Francisco Redevelopment Agency Guidelines for Architect and Engineering Basic Services

[These Guidelines are in effect for projects starting design on or after April 1, 2006.]

Basic Services– All Projects

In addition to the Architect's Basic Services defined in AIA B181, Standard Form of Agreement Between Architect and Owner for Housing Services, Basic Services for affordable housing projects financed by the Mayor's Office of Housing (MOH) or the San Francisco Redevelopment Agency (SFRA) shall include the following:

- Pre-application meetings and interface with other relevant City Agencies – up to 2 pre-application meetings with each agency such as the Dept. of Building Inspection, Dept. of Parking and Traffic, City Planning and the Mayor's Office on Disability (MOD).
- Redesign and contract document revisions that are related to "reasonable and foreseeable" code interpretations by a field inspector. What is "reasonable and foreseeable" may be defined by a third party if necessary.
- Limited FF&E layouts for accessible units and common areas to ensure that accessible areas can be furnished in a manner acceptable to MOD.
- Up to 3 community meetings and/or public hearings including preparation time, but not including unlimited graphic-model materials.
- Ongoing review of contractor-prepared as-built drawings at least monthly throughout the course of construction or at time intervals appropriate to the project.
- Written Post-Occupancy Building and Social Evaluations including 9-Month and 12-Month, walk-throughs with Owner, Contractor, and sub-consultants as needed to identify issues. These would also serve as warranty walk-throughs.
- Pre-Construction meeting minutes and review of contractor-prepared meeting minutes during construction.
- Redesign costs associated with architect-driven change orders only.
- Post-bidding value engineering revisions corresponding to up to 5% of the pre-bid construction budget.

Basic Services – Rehabilitation Projects Only

In addition to the Basic Services for All Projects listed above, Basic Services for rehabilitation projects shall also include:

- Confirmation/verification of as-built documentation of existing conditions provided by owner.
- Path-of-travel analysis, including the nearest transit stop.
- Recommendations for exploratory demolition and/or systems testing to be done by owner during schematic design phase to verify assumptions.
- Observation time as required during construction to address uncovered existing conditions.
- Planning, phasing and coordination during an occupied rehabilitation project (with appropriate additional compensation for such services).

Basic Services Exclusions

The following are to be considered outside the scope of Basic Services for affordable housing projects financed by MOH/SFRA:

- Cost Estimating.
- Post-bidding value engineering revisions made necessary by delays beyond the control of the Architect or by inflation deemed by both parties to be standard in the industry at the time.
- Landscape, Acoustical and Civil Engineering, and other specialty Consultants.
- Dealing with existing non-accessible conditions not easily made 100% accessible.
- Compliance with the Green Communities Initiative.

Fees for Basic Services

The attached fee schedule (Exhibit A) shall serve as the basis for establishing Architect/Engineering fees for projects financed by MOH/SFRA.

As a general rule, fees for Basic Services for rehabilitation projects may exceed those listed for new construction of similarly sized projects according to the following scale:

Construction contracts less than $2M:	An additional 3%
Construction contracts $2M to $10M:	An additional 2.5%
Construction contracts over $10M:	An additional 2%

Fees for Basic Services related to the rehabilitation of buildings that will remain wholly or partially occupied during construction may exceed the limits identified for Rehabilitation projects depending on the circumstances.

ATTACHMENT 23

MOHCD Developer Fee Policy-Tax Credit Projects

EFFECTIVE DATE: 11-02-07

Mayor's Office of Housing
Policy on Development Fees For Tax Credit Projects

Background

The primary goals of this developer fee policy for low-income housing tax credit projects in San Francisco are: (1) to fairly compensate developers of such projects for managing the overall development of such projects; (2) to provide financial resources to enable developers to meet their financial obligations as general partner of a tax credit limited partnership; (3) to hold developers accountable for their performance while providing incentives for successful and timely completion of such developments; (4) to provide financial resources for successful developers to supplement their primary mission with other housing related and community development activities; and (5) to promote the long term sustainability of such organizations.

The Mayor's Office of Housing ("MOH") will permit housing developers to include development fees as part of an approved development budget for an eligible tax credit project receiving MOH capital funding. Approved developer fees will be earned based on a performance schedule agreed upon by MOH and the developer; and a portion of the budgeted developer fees shall be available to cover cost overruns associated with the project.

Definitions:

"Affordable housing" means rental housing affordable to households earning up to 60% of San Francisco median income adjusted solely for household size.

"Preservation of At-Risk affordable housing" means the acquisition and re-capitalization of housing with affordability restrictions threatened by expiration or termination with the intent to guarantee that the units will be retained for affordable housing for at least 55 years into the future and serve households with incomes not exceeding 60% of the respective household annual median income.

"Project close-out" means that all of the following conditions have been met: (1) all project construction or rehabilitation has been completed; (2) the borrower has submitted all documents, reports and forms as required by the Loan/Grant Agreement, including a copy of the 8609 report submitted to TCAC; (3) the City has reviewed and approved borrower's project completion reports and documents; and (4) 100% lease-up.

"Recapitalization Projects" are development activities involving the investment of new public capital that is used to maintain or improve the long-term habitability or affordability of existing non-profit owned affordable housing including extending the affordability restrictions for an additional 55 years.

"Site Acquisition" means escrow closing on purchase or execution of MOH-approved lease of development property.

"Substantial Rehabilitation" means the average hard construction cost per unit is at least $50,000 per unit.

"Units" means a complete apartment, a bedroom in the case of a group home residence, or a single room occupancy unit with new or preserved affordability restrictions of at least 55 years

Eligibility

Projects that are eligible for a developer fee include all MOH-funded projects that are financed in part through the Low-Income Housing Tax Credit Program.

The acquisition or transfer of an existing affordable housing project previously funded by MOH or the San Francisco Redevelopment Agency without substantial rehabilitation work and/or without an extension of the affordability term is not eligible for a developer fee.

Both non-profit and for-profit development corporations in good standing with the California Secretary of State are eligible for developer fees. If the developer is a limited equity partnership or limited liability corporation, it must include a nonprofit organization acting as co-managing general partner. The nonprofit owner or partner must be a 501(c)3 corporation with the provision of developing affordable housing as part of its Articles of Incorporation.

Maximum Allowable Developer Fees for 100% Newly Affordable and At-Risk Projects

The maximum allowable developer fee (the "Maximum Fee") for projects in which all units are newly affordable units shall be equal to the maximum developer fee allowed by the California Tax Credit Allocation Committee (CTCAC) for 9% tax credit projects (whether the project is using 9% or 4% tax credits) as may be modified by the CTCAC, regardless of the source of the fee. The Maximum Fee shall be comprised of a Project Management Fee and an At-Risk Fee.

Maximum Allowable Developer Fees for Recapitalization Projects

The maximum fee for Recapitalization Projects (the "Recapitalization Maximum Fee") shall not exceed twenty five percent (25%) of the Maximum Fee, all of which shall be considered a Project Management Fee. In the event that a Recapitalization Project has less that the allowable tax credit basis, MOH will permit an increase in the Developer Fee on the condition that any Fee in excess of the Recapitalization Maximum Fee will be invested in the project. No At-Risk Fee will be allowed for Recapitalization Projects unless newly affordable units are being added to an existing affordable building as described below.

Project Management Fee

One-half of the Maximum Fee or the full Recapitalization Maximum Fee shall be paid as a Project Management Fee and disbursed according to the achievement of certain agreed upon development milestones to be negotiated on a project-by-project basis. However if the project is subject to developer fee caps by other funding sources such as the State Multifamily Housing

Program, then the maximum Project Management Fee permitted for such projects is One Million ($1,000,000).

FOR EXAMPLE: If the Maximum Fee is $2,000,000:

	% of Fee	Amount:
At Acquisition or closing of preconstruction financing from MOH:	15%	$150,000
During or at end of Predevelopment:	35%	$350,000
Interim payment – Submission of building/site permit application		
Interim payment – Submission of TCAC/CDLAC application		
Interim payment – Approval of gap financing		
During or at end of Construction:	35%	$350,000
Interim payment – completion of 50% of construction/ rehabilitation		
Interim payment – Temporary Certificate of Occupancy		
Interim payment – 95% lease-up		
At Project Close Out:	15%	$150,000
Total:		$1,000,000

At-Risk Fee

The remaining one-half of the Maximum Fee is at-risk for costs exceeding final approved budget at commitment of gap financing by MOH. For projects subject to developer fee caps by other funding sources, such as the State Multifamily Housing Program, then the maximum At Risk Fee permitted for such projects is Two Hundred Thousand ($200,000).

Recapitalization Projects are not eligible for the At-Risk Fee unless a) no developer fee has been received at any time by the owner or an affiliate of the owner for the units being re-capitalized; or b) the Recapitalization Project includes the addition of new affordable units to the building. In the event that new units are being added, the At-Risk Fee shall be equal to two times the percentage increase in total affordable units in the development times the Recapitalization Maximum Fee.

Waivers or Modifications of this Policy

The Citywide Affordable Housing Loan Committee may recommend waiver or modification of any portion of this policy when it determines that such waiver or modification is necessary to assure the project's feasibility. All such recommendations regarding implementation of this policy are subject to the Mayor's approval in his or her sole discretion.

If the source of the development fee is CDBG or HOME funds, the developer fee is considered to be program income for the respective funding program. The nonprofit developer shall provide an annual report to MOH on the use of such fees. In the event the nonprofit is a funding recipient of CDBG administrative funding, the use of the developer fees shall be included in the nonprofit's annual CDBG/OMB audit report as applicable.

Implementation of Policy

This policy applies to any development that has not received its gap financing commitment from MOH by the effective date of the Policy.

Attachment 2

KEYSER MARSTON ASSOCIATES
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN:
REAL ESTATE
AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT

SAN FRANCISCO
A. JERRY KEYSER
TIMOTHY C. KELLY
KATE EARLE FUNK
DEBBIE M. KERN
REED T. KAWAHARA
DAVID DOEZEMA

LOS ANGELES
KATHLEEN H. HEAD
JAMES A. RABE
GREGORY D. SOO-HOO
KEVIN E. ENGSTROM
JULIE L. ROMEY

SAN DIEGO
PAUL C. MARRA

To: Christine Maher, Manager, Real Estate and Development Services
Office of Community Investment and Infrastructure as Successor Agency to the Redevelopment Agency of the City and County of San Francisco

From: Tim Kelly

Date: June 16, 2015

Subject: Transbay Block 8: Estimated 2014 Hypothetical Land Value

Keyser Marston Associates, Inc. (KMA) has prepared this memorandum for the Office of Community Investment and Infrastructure as Successor Agency to the Redevelopment Agency of the City and County of San Francisco ("OCII," or "Successor Agency"). The purpose is to provide an estimate of the hypothetical land value of Transbay Block 8 in 2014 supported by the highest and best consistent with the redevelopment plan, which in this case is a high-density residential project.

Block 8 is a 49,673 square foot parcel in the Transbay Redevelopment Project Area ("Project Area"), located on the north side of Folsom between First and Fremont Streets. The Project includes a market-rate condominium residential product (the "Condo Project") and 80/20 mixed income residential component ("80/20 Project") in an approximately 550-foot tower. The tower enjoys the most favorable height limit of the Transbay residential parcels and will offer premium views. There are 474 tower units, of which 404 are market-rate units and 70 units are affordable to households earning up to 40% and 50% of AMI and will be located in the first 8 stories of the tower. The unit mix of BMR will be proportional to that of the market-rate units. The Project also includes, among other things, ground-floor retail space along Folsom Street of approximately 10,000 square feet and a grocery store on the basement level of approximately 12,500 square feet. An affordable project with 80 units affordable to households earning up to 40% and 50% of AMI is a separate component from the tower and will be subsidized by OCII funding (the "Affordable Project").

The agreed upon purchase price under the conditions and requirements of the Block 8 Disposition and Development Agreement between OCII, Transbay 8 Urban Housing,

LLC, and Tenderloin Neighborhood Development Corporation (the "DDA") is $71,000,000. The offer is approximately $150,000 per unit in the tower, including the BMR units, and $1,429 per square foot of land area.

This valuation analysis is a retrospective assessment of land values in 2014. At that time, the economy was accelerating with several purchases of sites for high density residential projects in close proximity to Block 8. Today several major high density projects are under construction.

Of these, several of the land transactions are summarized below. Typically sales prices are stated as a price "per door." Multiple variables impact the range of pricing, including such factors as: intrinsic value of location, expensive construction costs with high density development relative to value, and BMR requirements.

Reported land sales for high density residential sites in the timeframe of this analysis include:

- *Rincon Hill - 401 Harrison*: Known as One Rincon Hill Phase II, this approximately 18,300 sq.ft. site is located at 401 Harrison Street and is entitled for a 52-story, 450 foot residential project that will contain 299 units. This project will be offered as rental apartments, but will have a condo map in place allowing for making units available for sale at a future date. This site reportedly sold in February 2012 for $29,750,000, or $99,498/unit. The affordable housing requirement is met by the negotiated payment of fees, estimated to be $45,000 per tower unit. The project is now under construction. Total for land and BMR fee is $144,498 per tower unit. This project is not subject to the .55% Mello-Roos add-on in the Transbay Area.

- *Lumina – 201 Folsom:* The market rate project is now under construction consisting of two towers, 37 and 42 stories (approximately 400 feet), plus two 8 story podium buildings over a 4 level parking garage. The total unit count is 656 units, all of which are market rate. The BMR units are being constructed off-site and contain 164 units. The estimated developer subsidy per BMR unit is $200,000. The 2012 purchase price is reported to be $58,529,616, $89,222 per tower unit. Adding in developer's financial share of the BMR subsidy, the total cost is $91,329,616, or $139,222 per tower unit. This project is not subject to the .55% Mello-Roos add-on in the Transbay Area.

- *Transbay: Block 6 – 280 Beale:* In 2011, Golub Real Estate Corp. entered an ERN for $30 million for a 405 unit apartment tower (approximately 300 feet) on an approximately 42,690 sq.ft. site located on Folsom between Fremont and

Beale. The purchase offer is $74,074 per tower unit. The terms of the purchase offer were restructured after the dissolution of redevelopment in February 2012. The amended offer was that the project would be an all market rate tower, instead of mix of market rate and inclusionary units within the tower, and there would be an affordable housing fee payment of $24.3 million, or $60,000 per tower unit. Escrow closed in 2013. The project includes a fitness center, community room, outdoor amenity space, and retail space fronting Folsom Street. The project is now under construction. The total for land and BMR subsidy is $54.3 million, or $134,074 per tower unit.

- *Transbay – Block 9 – Folsom Street between First and Essex:* In 2012, OCII and Avant/Essex agreed upon the final negotiated price of $43,630,000 for a 31,564 square-foot parcel on Folsom Street between First and Essex Streets. The Project will be a 42-story residential building (approximately 400 feet) with approximately 545 residential units. The top 21 floors of the Project will consist of solely of market rate units. Affordable units in the tower will be not less than 20%. The bottom 21 floors will include all the BMR Units along with market rate units. No OCII financial subsidy will be provided for this Project and the affordable units are anticipated to be financed separately from the upper floors of the project using tax-exempt mortgage revenue bonds and Low Income Housing Tax Credits as some of the funding sources. The agreed upon purchase price of $43,630,000 is $80,055 per tower unit, including BMRs.

In summary:

Land Payment, including BMR Obligation	Per Tower Unit
401 Harrison	$144,498
201 Folsom	$139,222
Block 6 - 280 Beale	$134,074
Block 9	$80,055

In the data listed above, the value range in the Transbay and Rincon areas for land, including the BMR obligation, was from approximately $80,000 to $144,000 per tower unit.

The purchase price in the DDA for Block 8 is $71 million. The purchase price was the highest of the three offers. The price is approximately $150,000 per tower unit, including BMR units, and $1,429 per square foot of land area. The offer reflects, in part, not only the strength of the apartment market at this location, but also the strength of the for sale condominium units that will be on the upper floors of the tower.

Hypothetical Value in 2014 Under Sec 33433

	Value	Per Tower Unit	PSF Land
Block 8	$71,000,000	$150,000	$1,429

The highest and best use value of Block 8 at the time of the responses to the RFP were received in February 2014 has been estimated by KMA to be $71 million. The estimated value of the interest to be conveyed is the same as the offer by the developer. The sale price is not less than the fair market value of the interest to be conveyed at the highest and best use consistent with the redevelopment plan, which in this case is residential.

BOARD of SUPERVISORS

City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT the Land Use & Transportation Committee of the Board of Supervisors of the City and County of San Francisco, acting as the Board of Supervisors, will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: **Monday, July 13, 2015**

Time: **1:30 p.m.**

Location: **City Hall, 1 Dr. Carlton B. Goodlett Place, Legislative Chamber, Room 250, San Francisco, CA**

Subject: **File No. _____.** Hearing to consider the proposed Resolution approving the disposition of land by the Office of Community Investment and Infrastructure, as Successor Agency to the San Francisco Redevelopment Agency, and making findings under California Health and Safety Code Section 33433, as required under the Transbay Redevelopment Plan, for the parcel located on Folsom Street between First and Fremont Streets, Assessor's Block 3737, Portions of Lots 005, 012 and 027, commonly known as Transbay Block 8.

The purpose of said hearing is to hear all persons interested in the matter of the proposal of the Successor Agency to the San Francisco Redevelopment Agency (Successor Agency) to enter into a Disposition and Development Agreement (DDA) in connection with the sale and development of Transbay Block 8, more specifically described as Assessor's Block 3737, Portions of Lots 005, 012 and 027 (Property).

The Successor Agency proposes to enter into said DDA, which shall be effective on or after April 21, 2015, for the sale and development of the land for said Property to the following named Developers:

Transbay 8 Urban Housing, LLC
A DELAWARE LIMITED LIABILITY COMPANY

Tenderloin Neighborhood Development Corporation
A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION

The Successor Agency has prepared a report pursuant to California Health and Safety Code Section 33433 (California Community Redevelopment Law) (Report). The Report contains the following (1) a copy of the DDA; and (2) a summary of the proposed transaction. Interested persons may inspect and, upon payment of the costs of reproduction, obtain copies of the Report at the following address: Office of Community Investment and Infrastructure, One South Van Ness Avenue, 5th Floor, San Francisco, California, 94103.

Pursuant to Government Code, Section 65009, notice is hereby given, if you challenge, in court, the matter described above, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Board of Supervisors at, or prior to, the public hearing.

In accordance with the San Francisco Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on these matters may submit written comments to the City prior to the time the hearing begins. These comments will be made as part of the official public records in this matter, and shall be brought to the attention of the members of the Board. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. The California Community Redevelopment Law, Section 33433, Report will be available for public review on Friday, June 26, 2015. Agenda information relating to this matter will be available on Friday, June 26, 2015.

Angela Calvillo
Clerk of the Board

DATED: _____, 2015
PUBLISHED: _____, 2015 and _____, 2015

FILE: 150688

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

City Elective Officer Information *(Please print clearly.)*	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

Contractor Information *(Please print clearly.)*	
Name of contractor: TNDC (Tenderloin Neighborhood Development Corporation)	
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. See Attachment 1 of 1 please, for TNDC Board of Directors, CEO, CFO, and COO	
Contractor address: 201 Eddy Street, San Francisco, CA 94102	
Date that contract was approved: Board of Supervisors on July 28, 2015	Amount of contract: $71,000,000
Describe the nature of the contract that was approved: Disposition and Development Agreement	
Comments:	

This contract was approved by (check applicable):

___ the City elective officer(s) identified on this form

X 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 *(Please print clearly.)*	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B Goodlet 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

Attachment 1 of 1 to FORM SFEC-126: NOTIFICATION OF CONTRACT APPROVAL

Board Members of TNDC (Tenderloin Neighborhood Development Corporation)

Board Officers
Noreen Beiro, President
Margaret Schrand, Vice President
Elizabeth Tracey, Secretary
Patrick Murcia, Treasurer
Dave Kroot, Legal Officer

Directors
Lisa Blakely
Nelson Bostrom
Curtis Bradford
Sally Carlson
Dr. Saul Feldman
Chris Gouig
Lisa Le
Dick McNeil Jr.
Dr. Erica Mohan
Josh Mukhopadhyay
Jan Peters
Ascanio Piomelli
Samia Rashed
Nicole Rivera
Loren Sanborn
Candy Smallwood
Gabriel Speyer
Amy Tharpe
Pedro Torres
Kristy Wang

Executive Staff Members of TNDC (Tenderloin Neighborhood Development Corporation)

Chief Executive Officer	Donald S. Falk
Chief Financial Officer	Paul A. Sussman
Chief Operating Officer	Elizabeth Orlin

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

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2015 JUN 25 AM 11:13

Time stamp or 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 Kim

Subject:

Disposition and Development Agreement - Successor Agency to the San Francisco Redevelopment Agency Land - Transbay Block 8, Assessor's Parcel No. 3737, Portion of Lots 005, 012 and 027

The text is listed below or attached:

See attached.

Signature of Sponsoring Supervisor: _____

For Clerk's Use Only:

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