

**55 LAGUNA STREET IN-KIND AGREEMENT
(PER PLANNING CODE SECTION 421)**

THIS IN-KIND AGREEMENT (the "Agreement") is entered into as of December 14, 2012, by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, acting by and through the Planning Commission (the "City"), and ALTA LAGUNA, LLC, a Delaware limited liability company ("Project Sponsor"), with respect to the project approved for 55 Laguna Street (aka 218-220 Buchanan Street), San Francisco, California 94102 (the "Project").

RECITALS

A. On December 19, 2008, the San Francisco Board of Supervisors enacted Ordinance No. 298-08 (File No. 081153) (the "Ordinance"), adding Section 326-326.8 to the San Francisco Planning Code (now Sections 421-421.7). Any undefined term used herein shall have the meaning given to such term in Article 4 of the Planning Code, and all references to Sections 421-421.7 shall mean Sections 421-421.7 of the San Francisco Planning Code.

B. In order to mitigate the impacts from the new residential and commercial development permitted under the Market and Octavia Area Plan, the Ordinance imposed an Impact Fee on new residential and commercial development (the "Fee"). Under Section 421.3(f), the Fee is required to be paid to the City before issuance of the first construction document for a development project. As an alternative to payment of the Fee, the Ordinance provides that the City may reduce the Fee obligation at that time if the project sponsor agrees to provide specified community improvements. In order for the project sponsor to satisfy its Fee obligation by providing such in-kind improvements, the Ordinance requires the City and the Project Sponsor to enter into an "In-Kind Agreement" described in Section 421.3(d).

C. The property described in Exhibit A attached hereto (the "Land") and generally known as 55 Laguna Street (Lots 1 and 1A in Assessor's Block 857 and Lots 1, 2, and a portion of Lot 3 in Assessor's Block 870) is owned by the Regents of the University of California ("UC Regents") and is ground leased to the Project Sponsor and 55 Laguna, L.P., the sponsor of the affordable senior element of the project. The Project Sponsor and 55 Laguna, L.P. have submitted applications for the development of a mixed residential and commercial development on the Land. The Planning Commission originally approved a Planned Unit Development for the Project on January 17, 2008 (Motion No. 17537), prior to the enactment of Section 421-421.7. In Motion No. 17537, the Commission approved in-kind improvements in lieu of the future Fee. On August 16, 2012, the Planning Commission approved Motion No. 18693 modifying certain elements of the Planning Unit Development (the "Planning Approval"), and on September 20, 2012, the Planning Commission approved Motion No. 18706 formally approving this In-Kind Agreement.

D. The Market and Octavia Area Plan contains objectives and policies for creating a complete mixed-use transit oriented neighborhood, including developing public open space, park improvements, and community/recreational facilities in the Plan Area to support new residents.

E. The Project Sponsor has requested that the City enter into an In-Kind Agreement associated with development of community infrastructure improvements consistent with the objectives and policies of the Market and Octavia Area Plan on a portion of the Land that would generally be comprised of the approximately 28,000 square foot public open space referred to as Waller Park, the approximately 10,600 square foot community garden located behind Woods Hall Annex and the approximately 12,600 square foot rent-free community facility in Woods

Hall Annex (collectively, "In-Kind Improvements") in order to satisfy its Fee obligation per the terms of the Ordinance.

F. The In-Kind Improvements meet an identified community need as analyzed in the Plan and as identified in Planning Code Section 421.1 and are not a physical improvement or provision of space otherwise required by the Planning Code or any other City Code.

G. The City is willing to enter into an In-Kind Agreement, on the terms and conditions set forth below.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following words and phrases have the following meanings.

"**Agreement**" shall mean this Agreement.

"**City**" shall have the meaning set forth in the preamble to this Agreement.

"**Date of Satisfaction**" shall have the meaning set forth in Section 4.8 below.

"**DBI**" shall have the meaning set forth in Section 3.3 below.

"**Effective Date**" shall have the meaning set forth in Section 5.1 below.

"**Final Inspection Notice**" shall have the meaning set forth in Section 4.6 below.

"**First Certificate of Occupancy**" shall have the meaning set forth in Section 4.4 below.

"**First Construction Document**" shall have the meaning set forth in Section 401 of the Planning Code.

"**Impact Fee**" or "**Fee**" shall mean the fee charged to all residential and commercial development projects in the Market and Octavia Plan Areas under Section 421.3 of the Ordinance.

"**In-Kind Improvements**" shall have the meaning set forth in Recital E.

"**In-Kind Value**" shall have the meaning set forth in Section 3.2 below.

"**Initial Amount**" shall have the meaning set forth in Section 3.3 below.

"**Inspection Notice**" shall have the meaning set forth in Section 4.6 below.

"**Land**" shall have the meaning set forth in Recital C.

"**Memorandum of Agreement**" shall have the meaning set forth in Section 7.1 below.

“**Ordinance**” shall have the meaning designated in Recital A.

“**Payment Analysis**” shall have the meaning set forth in Section 5.2 below.

“**Payment Documentation**” shall have the meaning set forth in Section 4.7 below.

“**Planning Approval**” shall have the meaning set forth in Recital C.

“**Plans**” shall have the meaning set forth in Section 4.2 below.

“**Project**” shall have the meaning set forth in the preamble to this Agreement.

“**Project Sponsor**” shall have the meaning set forth in the preamble to this Agreement.

“**Project Sponsor Fee**” shall mean the Project Sponsor’s share of the Fee, as calculated pursuant to Section 3.1 hereof.

ARTICLE 2 PROJECT SPONSOR REPRESENTATIONS AND COVENANTS

The Project Sponsor hereby represents, warrants, agrees and covenants to the City as follows:

2.1 The above recitals relating to the Project are true and correct.

2.2 Project Sponsor: (1) is a limited liability company duly organized and existing under the laws of the State of Delaware, (2) has the power and authority to own and lease its properties and assets and to carry on its business as now being conducted and as now contemplated to be conducted, (3) has the power to execute and perform all the undertakings of this Agreement, and (4) is the ground lessee of the real property on which the Project is located.

2.3 To the knowledge of Project Sponsor, the execution and delivery of this Agreement and other instruments required to be executed and delivered by the Project Sponsor pursuant to this Agreement: (1) have not violated and will not violate any provision of law, rule or regulation, any order of court or other agency or government, and (2) have not violated and will not violate any provision of any agreement or instrument to which the Project Sponsor is bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature.

2.4 To the knowledge of Project Sponsor, no document furnished or to be furnished by the Project Sponsor to the City in connection with this Agreement contains or will contain any untrue statement of material fact, or omits or will omit a material fact necessary to make the statements contained therein not misleading, under the circumstances under which any such statement shall have been made.

2.5 Neither the Project Sponsor, nor any of its principals or members, have been suspended, disciplined or debarred by, or prohibited from contracting with, the U.S. General Services Administration or any federal, state or local governmental agency during the past five (5) years.

2.6 Pursuant to Section 421.3(d)(5), the Project Sponsor shall reimburse all City agencies for their administrative and staff costs in negotiating, drafting, and monitoring compliance with this Agreement.

ARTICLE 3 CALCULATION OF FEE AND IN-KIND CREDIT

3.1 The Project Sponsor Fee shall be calculated in accordance with Section 421.3(c) of the Ordinance. Based on the project entitled by the Planning Commission, the Fee is estimated at \$4,237,047 (for the fee calculations, see Exhibit B). The final Fee shall be calculated based on the project entitled by its First Construction Document. Should the project Sponsor elect to pursue the Project in phases, the Project Sponsor Fee and related In-Kind Improvement expenditures obligations shall be proportional to each phase.

3.2 Based on two estimates provided by independent sources, the Director of Planning determines that the In-Kind Improvements have a value of approximately \$ 4,952,484 (the "In-Kind Value"); provided, however, if upon final completion the actual construction and development costs to the Project Sponsor of providing the In-Kind Improvements are lower than this amount, the provisions of Section 5.2 shall apply. Documentation establishing the estimated third-party eligible costs of providing the In-Kind Improvements in compliance with applicable City standards is attached hereto as Exhibit C (the "Cost Documentation").

3.3 The Project Sponsor shall pay to the Development Fee Collection Unit at the Department of Building Inspection ("DBI") \$0 (the "Initial Amount"), which is an amount equal to the Project Sponsor Fee (see Exhibit B) minus the In-Kind Value (see Exhibit C), prior to issuance of the Project's First Construction Document, pursuant to Section 421.3 of the Planning Code and Section 107A.13.3 of the San Francisco Building Code. On the Date of Satisfaction, the Project Sponsor shall receive a credit against the Project Sponsor Fee in the amount of the In-Kind Value, subject to Section 5.2 below.

ARTICLE 4 IN-KIND IMPROVEMENTS

4.1 The Project Sponsor agrees to take all steps necessary to construct and provide, at the Project Sponsor's sole cost, the following three In-Kind Improvements for the benefit of the City and the public. Upon issuance of the Final Inspection Notice for each of the following In-Kind Improvements, the City shall accept the In-Kind Improvement in lieu of the applicable Project Sponsor Fee if this Agreement is still in effect and each of the conditions described herein are met.

4.1.1 Waller Park: Pursuant to the Planning Approval, the Project Sponsor shall improve approximately 28,000 square feet of the former Waller Street right-of-way as publicly accessible open space, to maintain public access to those open space improvements, to assume maintenance and liability responsibilities, and not to permit any above-ground structures to be built on the land other than a small number of encroaching stoops leading to individual unit entrances and landscape and hardscape open space improvements. Below-grade improvements for underground parking shall be permitted in the former Waller Street right-of-way. There shall be no gates, or similar feature(s) serving to regulate pedestrians, located at either end of Waller Park. There shall be no transformers or utilities located in Waller Park. The Planning Director must approve the final plan for Waller Park before the first construction permit is issued for this project. The Project Sponsor shall prepare an operations plan providing maintenance services for the life of Waller Park, including, but not limited to, gardening, maintenance, and security services for Waller Park. The Director of Planning shall review and approve the proposed operations plan prior to issuance of the first temporary certificate of occupancy for the Project, and shall review and approve any material modifications to such operations plan prior to adoption to such modifications. Such operations plan must ensure that Waller Park functions as

a public open space including equal access for all members of the public similar publicly owned and operated open spaces, other rules of operation similar to other publicly owned and operated public open spaces, including allowable activities. The operations plan must discuss strategies to conform with Planning Codes Section 138 (i) as they pertain to signage, including any revisions to this section of the Planning Code effective before issuance of first certificate of occupancy. Currently this Section of the code requires:

“Informational Plaque. Prior to issuance of a permit of occupancy, a plaque shall be placed in a publicly conspicuous location outside the building at street level, or at the site of an outdoor open space, identifying the open space feature and its location, stating the right of the public to use the space and the hours of use, describing its principal required features (e.g., number of seats, availability of food service) and stating the name and address of the owner or owner's agent responsible for maintenance.”

The Project Sponsor shall provide maintenance services for Waller Park for the life of the Project in accordance with the approved operations plan and shall assume all liability with respect thereto.

4.1.2 Community Garden: Pursuant to the Planning Approval, the Project Sponsor shall improve approximately 10,600 square feet of the site in the area to the west of Woods Hall Annex as a publicly accessible community garden and to assume maintenance and liability responsibilities for the common areas of the garden. Garden plots shall be made available at no fee to members of the public, including Project residents, for gardening purposes on a non-discriminatory manner providing all interested gardeners an equal opportunity to be selected for a garden plot. Public access to the garden shall be provided via Haight Street and Laguna Street. Members of the public maintaining garden plots shall be afforded the same gardening hours and access regardless of whether they are Project residents. The Planning Director must approve the final plan for the community garden before the first construction permit is issued for the Project. The Project Sponsor shall prepare an operations plan providing management services for the life of the Community Garden. The Director of Planning shall review and approve the proposed operations plan prior to issuance of the first temporary certificate of occupancy for the Project, and shall review and approve any material modifications to such operations plan prior to adoption to such modifications. Such operations plan must ensure that the Community Garden functions as a public allotment garden including equal access for all members of the public, including Project residents, with operating hours and rules of operation similar to other publicly owned and operated allotment gardens, including allowable activities. The Project Sponsor shall provide maintenance services in accordance with the approved operations plan and shall assume all liability with respect thereto.

4.1.3 Community Facility: Pursuant to the Planning Approval, the Project Sponsor shall undertake seismic and accessibility building shell improvements to Woods Hall Annex to enable the building to be used as a rent-free community center/facility. Prior to issuance of a site permit or building permit for shell improvements to Woods Hall Annex, the Project Sponsor shall engage community stakeholders, the Planning Department and others in a process to be determined to develop a range of program options for the community center and identify a potential operator of the facility. The Project Sponsor shall prepare an operations plan for the Community Facility which will summarize the range of programmatic options developed through the public process, identify an operator and term of operations, and provide additional detail on how a change of operator will be handled. The Director of Planning shall review and approve the proposed operations plan prior to issuance of the first temporary certificate of occupancy for Woods Hall Annex, and shall review and approve any material modifications to such operations plan prior to adoption to such modifications. Such operations plan must ensure that the community center/facility functions as a community facility including equal access for

all members of the public similar to other publicly owned and operated community center/facility, including allowable activities.

4.2 The Project Sponsor shall cause its architect and landscape architect to prepare detailed plans and specifications for the In-Kind Improvements, which plans and specifications shall be submitted for review of DBI in the ordinary course of the process of obtaining a building permit for the Project (upon such approval, the "Plans"). Such review and approval of the Plans by DBI shall not be unreasonably withheld, delayed or conditioned. The Project Sponsor shall be responsible, at no cost to the City, for completing the In-Kind Improvements strictly in accordance with the approved Plans and shall not make any material change to the approved Plans during the course of construction without first obtaining the Director of Planning's written approval. Upon completion of the In-Kind Improvements, the Project Sponsor shall furnish the City with a copy of the final approved Plans and documentation of any approved material changes or deviations therefrom that may occur during construction of the In-Kind Improvements.

4.3 Phasing of Construction of Project and In-Kind Improvements. It is contemplated that the Project will be constructed in four phases as follows and as shown graphically in Exhibit D, with the In-Kind Improvements constructed during Phases 1 and 2:

4.3.1 Phase 1: Demolition of Middle Hall and the Administration Wing of Richardson Hall; construction of Garage 1, Residential Building 1A, Residential Building 1B and Building 3; rehabilitation of Woods Hall (Building 4A); construction of the pedestrian mews. Phase 1 In-Kind Improvements: Seismic upgrade of Woods Hall Annex (Building 4B) and construction of Upper Waller Park, comprising all Waller Park improvements including and westward of the pedestrian mews.

4.3.2 Phase 2: Demolition of Haight Street and Laguna Street retaining walls; construction of Garage 2, Residential Building 2C, 2D and 2E. Phase 2 In-Kind Improvements: Construction of Lower Waller Park, comprising all Waller Park improvements eastward of the pedestrian mews, and the Community Garden.

4.3.3 Phase 3: Rehabilitation of Richardson Hall (Building 6).

4.3.4 Phase 4: Construction of Building 5.

4.3.5 The above-referenced phasing schedule for the construction of the Project may be adjusted by the Project Sponsor in its sole discretion; provided however that the schedule for the phasing of the In-Kind Improvements may only be adjusted by the Planning Director in his sole discretion.

4.4 The In-Kind Improvements applicable to each phase of construction as listed above shall be constructed in conjunction with that phase and shall be completed prior to issuance of the first certificate of occupancy (including a temporary certificate of occupancy)(the "First Certificate of Occupancy") for the applicable phase. The improvements shall be accomplished and in accordance with good construction and engineering practices and applicable laws. The Project Sponsor, while performing any construction relating to the In-Kind Improvements, shall undertake commercially reasonable measures in accordance with good construction practices to minimize the risk of injury or damage to the surrounding property, and the risk of injury to members of the public, caused by or resulting from the performance of such construction. All construction relating to the In-Kind Improvements shall be performed by licensed, insured and bonded contractors, and pursuant to a contract that includes a release and indemnification for the benefit of the City.

4.5 If the Final Inspection Notice has not been completed prior to issuance of the First Certificate of Occupancy for a phase as described in Section 4.4, the Project Sponsor shall provide a letter of credit, surety bond, escrow account, or other security reasonably satisfactory to the Planning Director in the amount of one hundred percent (100%) of the Cost Documentation applicable to the uncompleted In-Kind Improvement(s) to be constructed during the applicable phase of construction (the "Security"), to be held by the City until issuance of the Final Inspection Notice, at which date it shall be returned to the Project Sponsor.

4.6 Upon final completion of the In-Kind Improvement(s) during a phase of construction and the Project Sponsor's receipt of all final permit sign-offs, the Project Sponsor shall notify the Director of Planning that the In-Kind Improvements have been completed. The Director of Planning, or his or her agent, shall inspect the site to confirm compliance with this Agreement and the Planning Approval, and shall promptly thereafter notify the Project Sponsor that the In-Kind Improvements have been completed in accordance with the requirements of this Agreement and the Planning Approval, or, if there are any problems or deficiencies, shall notify the Project Sponsor of any such problems or deficiencies (the "Inspection Notice"). The Project Sponsor shall correct any such problems or deficiencies set forth in the Inspection Notice and then request another inspection, repeating this process until the Director of Planning approves the In-Kind Improvements as satisfactory. Such approval shall be based on the requirements of this Agreement and shall not be unreasonably withheld. This condition will not be satisfied until the Director of Planning delivers an Inspection Notice that certifies that the In-Kind Improvements are ready for use by the public, as determined by the Director of Planning based on current City standards, and constitute the full satisfaction of the obligation to provide the particular In-Kind Improvement in the form required hereunder (the "Final Inspection Notice"). The City may, in its sole discretion, waive the requirements of this Section 4.6.

4.7 For each phase, the Project Sponsor shall provide the Planning Department with documentation substantiating payment by the Project Sponsor of the cost of providing the In-Kind Improvements in the form of third-party checks and invoices and its or its general contractor's standard general conditions allocation (the "Payment Documentation"). The Payment Documentation shall include information necessary and customary in the construction industry to verify the Project Sponsor's costs and payments for the applicable phase. For each phase, the cost of providing the In-Kind Improvements shall be substantially similar to the average capital costs for the City to provide the same square feet of public open space and community facilities, based on current value of recently completed projects.

4.8 For each phase, the Project Sponsor shall not receive final credit for the In-Kind Improvements until the Final Inspection Notice is delivered, the Memorandum of Agreement is recorded and the City receives any additional payments as may be required under Articles 4 and 5 below, and all other obligations of the Project Sponsor under this Agreement have been satisfied (the "Date of Satisfaction"). The Project Sponsor assumes all risk of loss during construction, and shall not receive final credit for the In-Kind Improvements until the Date of Satisfaction. Notwithstanding the foregoing, on and after the Effective Date (as defined in Section 5.1 below), for so long as this Agreement remains in effect and the Project Sponsor is not in breach of this Agreement the City shall not withhold the issuance of any additional building or other permits necessary for the Project due to the Project Sponsor's payment of less than the full Project Sponsor Fee amount in anticipation of the In Kind Improvements ultimately being accepted and credited against the Project Sponsor Fee under the terms and conditions set forth in this Agreement.

ARTICLE 5 PAYMENT AND SECURITY

5.1 This Agreement shall not be effective until this Agreement is signed by both the Project Sponsor and the City, is consented to by the UC Regents pursuant to that certain written consent attached hereto as Exhibit E, is approved as to form by the City Attorney, and is approved by the Planning Commission. The date upon which the foregoing requirements have been satisfied shall be the "Effective Date".

5.2 For each phase, the City shall provide the Project Sponsor with a written report of its review of the Payment Documentation ("Payment Analysis") within ten (10) business days of its receipt thereof, which review shall be conducted for the exclusive purpose of determining whether the Payment Documentation substantially and reasonably document that the cost of providing the In-Kind Improvements shall be substantially similar to the average capital costs for the City to provide the same type of public open space and community facilities, with comparable improvements, based on current value of recently completed projects, as selected by the City in its sole discretion. If the Payment Analysis reasonably substantiates that the Project Sponsor made payments in respect of the In-Kind Improvements in an amount less than the Fee, the Project Sponsor shall, within sixty (60) days of the date of the Payment Analysis, pay the City in an amount equal to the difference between the actual amount paid in respect of the In-Kind Improvements by the Project Sponsor and the Fee. If the Payment Analysis reasonably substantiates that the Project Sponsor made payments in respect of the improvements in an amount equal to or greater than the Fee or the In-Kind Value, the Project Sponsor shall not be entitled to a refund of such overpayments and the City shall not be entitled to any additional funds related to the In-Kind Value.

5.3 The City and Project Sponsor shall endeavor to agree upon the Payment Analysis. If they are unable to so agree within thirty (30) days after receipt by Project Sponsor of the City's Payment Analysis, Project Sponsor and the City shall mutually select a third-party engineer/cost consultant. The City shall submit its Payment Analysis and Project Sponsor shall submit the Payment Documentation to such engineer/cost consultant, at such time or times and in such manner as the City and Project Sponsor shall agree (or as directed by the engineer/cost consultant if the City and Project Sponsor do not promptly agree). The engineer/cost consultant shall select either the City's Payment Analysis or Project Sponsor's determination pursuant to the Payment Documentation, and such determination shall be binding on the City and Project Sponsor.

5.4 Notwithstanding anything in this Agreement to the contrary:

5.4.1 The City shall not issue or renew any further certificates of occupancy to the Project Sponsor until the City receives payment of the full Project Sponsor Fee (in some combination of the payment of the Initial Amount, the acceptance of In-Kind Improvements having the value described under this Agreement and other cash payments received by the City directly from Project Sponsor) before issuance of the First Certificate of Occupancy for the Project.

5.4.2 The City's issuance of a certificate of final completion or any other permit or approval for the Project shall not release the Project Sponsor of its obligation to pay the full Project Sponsor Fee (with interest, if applicable), if such payment has not been made at the time the City issues such certificate of final completion.

5.4.3 If the In-Kind Improvements for any reason prove to be insufficient to provide payment for sums due from the Project Sponsor as and when required, and after demand by the City the Project Sponsor fails to pay such amount, such amount shall accrue interest from the date of such demand at the rate of one-half percent per month, or fraction thereof, compounded monthly, until the date of payment. If such nonpayment continues for a period of six (6) months, the City's Treasurer shall initiate proceedings in accordance with Article XX of

Chapter 10 of the San Francisco Administrative Code to make the entire unpaid balance of the Project Sponsor Fee, including interest, a lien against all parcels used for the housing in the Project and shall send all notices required by that Article.

5.5 The Project Sponsor understands and agrees that any payments to be credited against the Project Sponsor Fee shall be subject to the provisions set forth in San Francisco Administrative Code Sections 6.80-6.83 relating to false claims. Pursuant to San Francisco Administrative Code Sections 6.80-6.83, a party who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. A party who submits a false claim shall also be liable to the City for the cost, including attorney's fees, of a civil action brought to recover any of those penalties or damages and may be liable to the City for a civil penalty of up to \$10,000 for each false claim. A party will be deemed to have submitted a false claim to the City if the party: (a) knowingly presents or causes to be presented to any officer or employee of the City a false claim; (b) knowingly makes, uses or causes to be made or used a false record or statement to get a false claim approved by the City; (c) conspires to defraud the City by getting a false claim allowed by the City; (d) knowingly makes, uses or causes to be made or used a false record or statement to conceal, avoid or decrease an obligation to pay or transmit money or property to the City; or (e) is beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim. The Project Sponsor shall include this provision in all contracts and subcontracts relating to the In-Kind Improvements, and shall take all necessary and appropriate steps to verify the accuracy of all payments made to any such contractors and subcontractors.

ARTICLE 6 NOTICES

Any notice given under this Agreement shall be effective only if in writing and given by delivering the notice in person or by sending it first-class mail or certified mail with a return receipt requested or by overnight courier, return receipt requested, addressed as follows:

CITY:

Director of Planning
City and County of San Francisco
1660 Mission St.
San Francisco, CA 94103

with a copy to:

Deputy City Attorney
Office of the City Attorney
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
Attn: Susan Cleveland-Knowles

PROJECT SPONSOR:

Alta Laguna, LLC
20 Sunnyside Avenue, Suite B
Mill Valley, CA 94607
Attn: Brian Pianca

with a copy to:

Farella Braun + Martel LLP
235 Montgomery Street
San Francisco, CA 94104
Attn: Steven L. Vettel, Esq.

or to such other address as either party may from time to time specify in writing to the other party. Any notice shall be deemed given when actually delivered if such delivery is in person, two (2) days after deposit with the U.S. Postal Service if such delivery is by certified or registered mail, and the next business day after deposit with the U.S. Postal Service or with the commercial overnight courier service if such delivery is by overnight mail.

**ARTICLE 7
RUN WITH THE LAND**

7.1 The parties understand and agree that this Agreement shall run with the Project Sponsor's land, and shall burden and benefit every successor owner of the Land. The City would not be willing to enter into this Agreement without this provision, and the parties agree to record a Memorandum of Agreement in the form attached hereto as Exhibit F (the "Memorandum of Agreement"). On the Date of Satisfaction or if this Agreement is terminated pursuant to Section 8.4, this Agreement shall terminate and the City shall execute and deliver to the Project Sponsor a release of the Memorandum of Agreement, which the Project Sponsor may record.

**ARTICLE 8
ADDITIONAL TERMS**

8.1 This Agreement contemplates the construction of privately owned publicly accessible In-Kind Improvements as authorized under the Ordinance and is not a public works contract. The City and the Project Sponsor agree that the In-Kind Improvements are of local and not state-wide concern, and that the provisions of the California Public Contracts Code shall not apply to the construction of the In-Kind Improvements.

8.2 The City shall have the right, during normal business hours and upon reasonable notice, to review all books and records of the Project Sponsor pertaining to the costs and expenses of providing the In-Kind Improvements.

8.3 This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

8.4 This Agreement may be effectively amended, changed, modified, altered or terminated only by written instrument executed by the parties hereto except that the Project Sponsor may terminate this Agreement by written notice to the City at any time prior to issuance of the Project's first construction document, in which event the Project Sponsor shall have no obligations or liabilities under this Agreement and the City would have no obligation to issue the first construction document unless and until this Agreement is reinstated, another agreement is executed by the parties, or the Project Sponsor's obligations under the Ordinance are satisfied in another manner. Any material amendment shall require the approval of the City's Planning Commission, in its sole discretion.

8.5 No failure by the City to insist upon the strict performance of any obligation of Project Sponsor under this Agreement or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, and no acceptance of payments during the continuance of any such breach, shall constitute a waiver of such breach or of the City's right to demand strict compliance with such term, covenant or condition. Any waiver must be in writing, and shall be limited to the terms or matters contained in such writing. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. In the event of any breach of this Agreement by the Project Sponsor, the City shall have all rights and remedies available at law or in equity.

8.6 This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of California.

8.7 The section and other headings of this Agreement are for convenience of reference only and shall be disregarded in the interpretation of this Agreement. Time is of the essence in all matters relating to this Agreement.

8.8 This Agreement does not create a partnership or joint venture between the City and the Project Sponsor as to any activity conducted by the Project Sponsor relating to this Agreement or otherwise. The Project Sponsor is not a state or governmental actor with respect to any activity conducted by the Project Sponsor hereunder. This Agreement does not constitute authorization or approval by the City of any activity conducted by the Project Sponsor. This Agreement does not create any rights in or for any member of the public, and there are no third party beneficiaries.

8.9 Notwithstanding anything to the contrary contained in this Agreement, the Project Sponsor acknowledges and agrees that no officer or employee of the City has authority to commit the City to this Agreement unless and until the Planning Commission adopts a resolution approving this Agreement, and it has been duly executed by the Director of Planning and approved as to form by City Attorney.

8.10 The Project Sponsor, on behalf of itself and its successors, shall indemnify, defend, reimburse and hold the City harmless from and against any and all claims, demands, losses, liabilities, damages, injuries, penalties, lawsuits and other proceedings, judgments and awards and costs by or in favor of a third party, incurred in connection with or arising directly or indirectly, in whole or in part, out of: (a) any accident, injury to or death of a person, or loss of or damage to property occurring in, on or about the In-Kind Improvements, provided that such accident, injury, death, loss or damage does not result from the gross negligence of the City; (b) any default by the Project Sponsor under this Agreement, (c) the condition of the In-Kind Improvements constructed by or on behalf of the Project Sponsor; and (d) any acts, omissions, or negligence of the Project Sponsor or its agents in or about In-Kind Improvements. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigation. The Project Sponsor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to the Project Sponsor by City and continues at all times thereafter. The Project Sponsor's obligations under this Section shall survive the expiration or sooner termination of this Agreement.

ARTICLE 9 CITY CONTRACTING PROVISIONS

9.1 The Project Sponsor understands and agrees that under the City's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Gov't Code Section 6250 et seq.), this Agreement and any and all records, information, and materials submitted to the City hereunder are public records subject to public disclosure. The Project Sponsor hereby acknowledges that the City may disclose any records, information and materials submitted to the City in connection with this Agreement.

9.2 In the performance of this Agreement, the Project Sponsor covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee or any City employee working with or applicant for employment with the Project Sponsor, in any of the Project Sponsor'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 the Project Sponsor.

9.3 Through execution of this Agreement, the Project Sponsor acknowledges that it is familiar with the provisions of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provision and agrees that if it becomes aware of any such fact during the term, the Project Sponsor shall immediately notify the City.

9.4 Through execution of this Agreement, the Project Sponsor acknowledges that it is familiar with Section 1.126 of City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City, whenever such transaction would require approval by a City elective officer or the board on which that City elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for the contract until three (3) months after the date the contract is approved by the City elective officer or the board on which that City elective officer serves. San Francisco Ethics Commission Regulation 1.126-1 provides that negotiations are commenced when a prospective contractor first communicates with a City officer or employee about the possibility of obtaining a specific contract. This communication may occur in person, by telephone or in writing, and may be initiated by the prospective contractor or a City officer or employee. Negotiations are completed when a contract is finalized and signed by the City and the contractor. Negotiations are terminated when the City and/or the prospective contractor end the negotiation process before a final decision is made to award the contract.

9.5 The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1 et seq. The City also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. The Project Sponsor acknowledges that it has read and understands the above statement of the City concerning doing business in Northern Ireland.

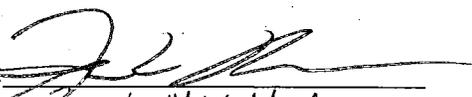
9.6 The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood, or virgin redwood wood product.

NOW THEREFORE, the parties hereto have executed this In-Kind Agreement as of the date set forth above.

CITY AND COUNTY OF SAN FRANCISCO,
acting by and through its Planning Commission

By: 
Director of Planning

ALTA LAGUNA, LLC,
a Delaware limited liability company

By: 
Name: Frank Middleton
Title: Vice President

**CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGEMENT**

State of California

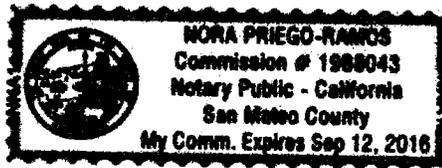
County of San Francisco

On December 14, 2012 before me, Nora Priego-Ramos, Notary Public

Personally appeared John Samuel Rahaim

Who provided to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledge 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 OR PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



WITNESS my hand and official seal


Signature of Notary Public

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

55 Laguna Street In-Kind Agreement (Per Planning Code Section 421)
(Title or description of attached document)

(Title or description of attached document continued) 100 Van Ness Avenue

Number of Pages 22 Document Date December 14, 2012

None
(Additional Information)

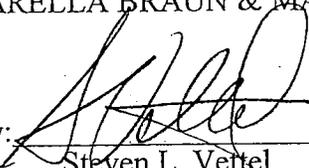
APPROVED:

DENNIS J. HERRERA
City Attorney

By: 
Deputy City Attorney

APPROVED AS TO FORM:

FARELLA BRAUN & MARTEL, LLP

By: 
Steven L. Vettel

ACKNOWLEDGED:

Department of Building Inspection

By: _____
Authorized Representative

Exhibit A

Legal Description of Land

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

Lots 1 and 1A in Assessor's Block 857 and Lots 1 and 2 and a portion of Lot 3 in Assessor's Block 870.

Exhibit B

Calculation of Impact Fees

Exhibit C

Cost Documentation

The estimated value for the proposed community improvements is \$4,952,484. The actual expenditures associated with the construction of the proposed improvements should be validated upon final construction per Section 5.3 of this agreement.

The Project Sponsor provided two initial cost estimates for the proposed community improvements: \$6,776,000 from BuildGroup, and \$7,076,000 from Pacific Structures. Per the Planning Departments request, Build Contractors provided a revised cost estimate for a total of \$4,952,484 (attached). The revised cost estimate isolates additional costs affiliated with the construction of the community amenities and accounts for efficiencies gained through coordination with the development project. That is to say additional costs that are incurred by the Project Sponsor that are greater than the basic costs attributable to the completion of the development project without the community improvement amenities.

The SEPARATE PROJECT column (in the middle) represents the cost of improvements to Waller Park (WP), Community Garden (CG) and Community Center (CC) absent any other activity on the site.

The COMBINED column represents the cost of improvements to WP, CG, and CC assuming other activity of the site and reflects some general savings based on economies of scale.
\$6,724,323

The BASE column represents the cost of improvements to the site (the base improvement condition) absent any obligation to improve WP, CG, and CC.
\$1,771,839

The ENHANCEMENT column (shaded column to far right) represents only the cost of enhancements to the site to satisfy the obligation to improve WP, CG, and CC. This is calculated by considering the COMBINED costs less the BASE costs the Project Sponsor would otherwise incur to complete the development project.
\$ 4,952,484

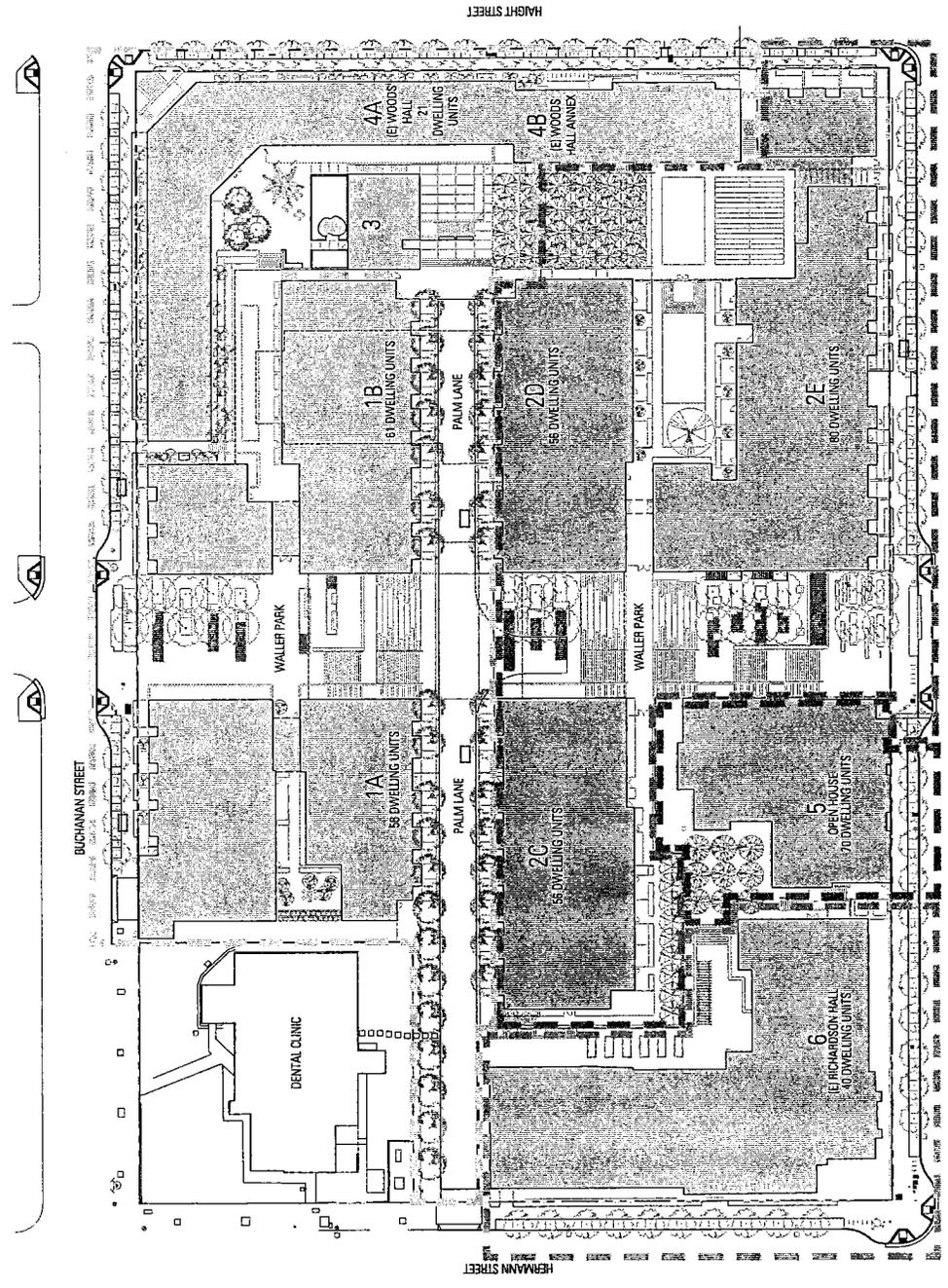
A similar methodology should be utilized when validating actual costs.



Project: Water Park, Community Garden & Community Building Improvement
 Estimate Type: Budget
 Date: 8/30/12
 Estimator: Nathan Runcel
 Type: Park
 Schedule: 8 months
 Owner: Lopus Alta LLC
 Site Area: 44,000

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	SEPARATE PROJECT		COMBINED		BASE		NON-ISOLATED		NOTES
					ISOLATED TOTAL	EMERGENCY %	TOTAL	POW	TOTAL	POW	TOTAL		
00000	SOFT COSTS												
1.	Design - Civil	1	ls	\$ 60,000	\$ 60,000	100%	\$ 60,000	60%	\$ 48,000	80%	\$ 12,000	additional drawings	
2.	Design - Landscape	1	ls	\$ 80,000	\$ 80,000	100%	\$ 80,000	20%	\$ 16,000	70%	\$ 24,000	enhancement drives scope	
3.	Design - Architecture	1	ls	\$ 30,000	\$ 30,000	80%	\$ 24,000	30%	\$ 7,200	50%	\$ 12,800	enhancement drives scope	
4.	Design - Structural	1	ls	\$ 30,000	\$ 30,000	80%	\$ 24,000	70%	\$ 18,000	50%	\$ 12,000	retaining wall scope vs garage structure	
5.	Design - Mec/Waterproofing, Utility, etc	1	ls	\$ 40,000	\$ 40,000	80%	\$ 32,000	50%	\$ 20,000	50%	\$ 20,000		
	Phase I	15,418	sf	\$ 87,500	\$ 1,338,025	5,40	\$ 437,500	2,50	\$ 193,750	2,50	\$ 143,750		
	Phase II	28,633	sf	\$ 87,500	\$ 2,500,000	5,40	\$ 1,541,700	2,50	\$ 715,300	2,50	\$ 384,700		
01000	GENERAL CONDITIONS												
1.	Water Park Community Garden & Community Building (Woods Annex) General Conditions	6	Months	\$ 80,000	\$ 480,000	100%	\$ 480,000	30%	\$ 144,000	70%	\$ 336,000	GC's include field and office labor, temporary office equip. and supplies	
	Phase I	2	Months	\$ 80,000	\$ 160,000	80,000.00	\$ 128,000.00	45,000.00	\$ 83,000.00	45,000.00	\$ 83,000.00		
	Phase II	4	Months	\$ 80,000	\$ 320,000	80,000.00	\$ 256,000.00	45,000.00	\$ 183,000.00	45,000.00	\$ 167,000.00		
02315	UTILITIES												
1.	Erosion/Settlement Control	1	ls	\$ 87,500	\$ 87,500	90%	\$ 78,750	25%	\$ 19,688	75%	\$ 67,812	Requires additional maintenance	
2.	Allowance for Unknown soil conditions	1	ls	\$ 87,500	\$ 87,500	90%	\$ 78,750	25%	\$ 19,688	75%	\$ 67,812	Greater risk for additional planting	
3.	Rough Grading	1	ls	\$ 87,500	\$ 87,500	90%	\$ 78,750	25%	\$ 19,688	75%	\$ 67,812	Majority of rough in base scope	
4.	Final Grading	1	ls	\$ 87,500	\$ 87,500	90%	\$ 78,750	25%	\$ 19,688	75%	\$ 67,812	line grade important for landscape	
	Phase I	15,418	sf	\$ 122,500	\$ 1,897,500	7,15	\$ 1,102,250	2,77	\$ 427,272	2,77	\$ 847,272		
	Phase II	28,633	sf	\$ 122,500	\$ 3,500,000	7,15	\$ 2,047,750	2,77	\$ 834,272	2,77	\$ 1,663,272		
02580	UTILITIES												
1.	Electrical Distribution - office	1	ls	\$ 87,500	\$ 87,500	90%	\$ 78,750	65%	\$ 56,888	65%	\$ 56,888	2/3 of infrastructure in base work - setup	
2.	Storm Drain	1	ls	\$ 43,750	\$ 43,750	90%	\$ 39,375	65%	\$ 28,500	65%	\$ 28,500		
3.	Drainage System	1	ls	\$ 43,750	\$ 43,750	90%	\$ 39,375	65%	\$ 28,500	65%	\$ 28,500		
	Phase I	15,418	sf	\$ 131,250	\$ 1,998,750	3,58	\$ 158,125	2,32	\$ 163,375	2,32	\$ 163,375		
	Phase II	28,633	sf	\$ 131,250	\$ 3,768,750	3,58	\$ 158,125	2,32	\$ 163,375	2,32	\$ 163,375		
02760	LANDSCAPING & IRRIGATION												
1.	Park Landscaping	1	ls	\$ 643,500	\$ 643,500	90%	\$ 579,150	10%	\$ 64,350	10%	\$ 64,350	base would be basic, minimal 'scaping	
2.	Tree Transplanting	1	ls	\$ 31,500	\$ 31,500	90%	\$ 28,350	0%	\$ 0	0%	\$ 0	would not do in base	
3.	Precast Concrete	1	ls	\$ 402,100	\$ 402,100	90%	\$ 361,890	0%	\$ 0	0%	\$ 0	would not do in base	
4.	Site Concrete/Sidewalks	1	ls	\$ 195,750	\$ 195,750	90%	\$ 176,175	15%	\$ 29,575	15%	\$ 29,575		
	Phase I	15,418	sf	\$ 222,000	\$ 3,432,000	4,43	\$ 307,650	2,12	\$ 327,000	2,12	\$ 327,000		
	Phase II	28,633	sf	\$ 222,000	\$ 6,366,000	4,43	\$ 307,650	2,12	\$ 327,000	2,12	\$ 327,000		
03100	CONCRETE												
1.	Structural Concrete	1	ls	\$ 1,980,000	\$ 1,980,000	100%	\$ 1,980,000	65%	\$ 1,287,000	65%	\$ 1,287,000	Retaining wall structures in enhancement	
	Phase I	8,078	sf	\$ 245,250	\$ 1,980,000	72,81	\$ 588,177	47,33	\$ 362,316	47,33	\$ 362,316		
	Phase II	13,789	sf	\$ 245,250	\$ 3,360,000	72,81	\$ 1,801,823	47,33	\$ 1,164,683	47,33	\$ 1,164,683		
05500	METALS												
1.	Structural Steel Framing	1	ls	\$ 16,500	\$ 16,500	90%	\$ 14,850	0%	\$ 0	0%	\$ 0	For landscaping	
	Phase I	15,418	sf	\$ 5,188	\$ 79,922	0,34	\$ 5,188	\$ 0	\$ 0	\$ 0	\$ 0		
	Phase II	28,633	sf	\$ 5,188	\$ 148,250	0,34	\$ 148,250	\$ 0	\$ 0	\$ 0	\$ 0		
07000	THERMAL/INSULATION												
1.	Waterproofing	1	ls	\$ 87,500	\$ 87,500	90%	\$ 78,750	10%	\$ 8,750	10%	\$ 8,750	Scope is for vertical retaining walls	
	Phase I	15,418	sf	\$ 27,405	\$ 421,272	1,78	\$ 27,405	0,18	\$ 2,741	0,18	\$ 2,741		
	Phase II	28,633	sf	\$ 87,500	\$ 1,338,025	1,78	\$ 148,865	0,18	\$ 8,009	0,18	\$ 8,009		
08000	COMMUNITY BUILDINGS												
1.	Woods Hill Annex	1	ls	\$ 1,158,000	\$ 1,158,000	100%	\$ 1,158,000	0%	\$ 0	0%	\$ 0	base would not include improvements	
	Phase I	44,000	sf	\$ 1,158,000	\$ 1,158,000	26,28	\$ 1,158,000	\$ 0	\$ 0	\$ 0	\$ 0		
13000	WATER FEATURES												
1.	Waterfeature	1	ls	\$ 225,000	\$ 225,000	100%	\$ 225,000	0%	\$ 0	0%	\$ 0	base would not include improvements	
	Phase I	15,418	sf	\$ 78,750	\$ 1,196,250	6,11	\$ 78,750	\$ 0	\$ 0	\$ 0	\$ 0		
	Phase II	28,633	sf	\$ 225,000	\$ 3,450,000	6,11	\$ 146,250	\$ 0	\$ 0	\$ 0	\$ 0		
16000	ELECTRICAL												
1.	Site Lighting	1	ls	\$ 87,500	\$ 87,500	80%	\$ 70,000	10%	\$ 8,750	10%	\$ 8,750	see landscape note	
	Phase I	15,418	sf	\$ 30,625	\$ 469,375	1,78	\$ 27,500	0,18	\$ 2,750	0,18	\$ 2,750		
	Phase II	28,633	sf	\$ 87,500	\$ 1,338,025	1,78	\$ 148,875	0,18	\$ 8,000	0,18	\$ 8,000		
	Subtotal	44,000	sf	\$ 6,516,850	\$ 100,000,000	148	\$ 4,618,250	46,63	\$ 1,774,838	46,63	\$ 1,774,838		
	Phase I	2	Months	\$ 3,056,274	\$ 3,056,274	3,459,916	\$ 2,327,425	\$ 0	\$ 0	\$ 0	\$ 0		
	Phase II	4	Months	\$ 3,459,916	\$ 3,459,916	3,459,916	\$ 2,327,425	\$ 0	\$ 0	\$ 0	\$ 0		
	Contractor's Construction Contingency	4.00%		\$ 260,674	\$ 260,674		\$ 260,674	\$ 0	\$ 0	\$ 0	\$ 0		
	Contract Document Development/Contingency	0.00%		\$ 0	\$ 0		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
	General Liability	1.00%		\$ 74,553	\$ 74,553		\$ 74,553	\$ 0	\$ 0	\$ 0	\$ 0		
	General Contractor Fee	3.00%		\$ 205,582	\$ 205,582		\$ 205,582	\$ 0	\$ 0	\$ 0	\$ 0		
	Phase I	15,418	sf	\$ 515,235	\$ 7,728,513	11,44	\$ 378,350	3,01	\$ 46,469	3,01	\$ 46,469		
	Phase II	28,633	sf	\$ 351,513	\$ 5,183,280	11,44	\$ 327,807	3,01	\$ 85,297	3,01	\$ 85,297		
	Grand Total			\$ 11,662,212	\$ 116,622,212	148	\$ 8,143,323	46,63	\$ 3,138,980	46,63	\$ 3,138,980		
	Phase I			\$ 3,245,255	\$ 3,245,255		\$ 2,414,358	\$ 0	\$ 0	\$ 0	\$ 0		
	Phase II			\$ 3,812,088	\$ 3,812,088		\$ 2,885,635	\$ 0	\$ 0	\$ 0	\$ 0		

Exhibit D
Site Design and Phasing Plan



**EXHIBIT D
PHASING DIAGRAM LEGEND**

- PHASE 1:**
138 RESIDENTIAL UNITS, WEST WALLER PARK,
COMMUNITY CENTER
- PHASE 2:**
192 RESIDENTIAL UNITS, EAST WALLER PARK,
COMMUNITY GARDEN
- PHASE 3:**
40 SENIOR RESIDENTIAL UNITS
- PHASE 4:**
70 SENIOR RESIDENTIAL UNITS

55 LAGUNA

SAN FRANCISCO, CA

PHASING DIAGRAM

BARARCHITECTS
543 Howard Street, San Francisco, CA 94105, T. 415 293 5700, F. 415 263 5701 WWW.BARARCH.COM



10070

09.11.2012



Exhibit E

CONSENT OF UC REGENTS

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, the undersigned owner of record of the fee interest in the property known as 55 Laguna Street, San Francisco, CA 94102 and identified as Lots 1 and 1A in Assessor's Block 857 and Lots 1, 2, and a portion of Lot 3 in Assessor's Block 870 for which the 55 Laguna Street In-Kind Agreement (the "In-Kind Agreement") is being entered into, do hereby consent to the execution of the In-Kind Agreement and recordation of a Memorandum of In-Kind Agreement and agree that we have authorized ALTA Laguna, LLC, a Delaware limited liability company, to act as our agent in all contacts with the City and County of San Francisco and to sign all necessary documents and forms in connection with this matter.

OWNER:

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

By: _____

Its: _____

Memorandum of Agreement

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

City and County of San Francisco
Planning Department
1650 Mission St., Suite 400
San Francisco, CA 94103
Attn: Director

(Free Recording Requested Pursuant to
Government Code Section 27383)

Memorandum of In-Kind Agreement

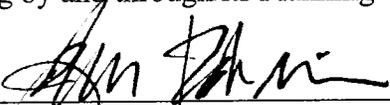
This Memorandum of In-Kind Agreement (this "Memorandum"), is dated as of 12/14/12, 2012, and is by and between the City and County of San Francisco, a municipal corporation, acting and through the Planning Commission (the "City"), and Alta Laguna, LLC (the "Project Sponsor").

1. The property described in Exhibit A attached hereto (the "Land"), excluding the land underlying the UC Dental Clinic as shown on Exhibit B, and generally known as 55 Laguna Street, San Francisco, California 94102 is ground leased by Project Sponsor.
2. Under San Francisco Planning Code Section 421.3 ("Section 421.3"), the Project Sponsor must pay to the City an Impact Fee (the "Fee") on or before the issuance of the first construction document for the Land; provided, however, the City can reduce such payment under Section 421.3(d) if the Project Sponsor enters into an agreement with the City to provide in-kind improvements.
3. In accordance with Section 421.3(d), the City and the Project Sponsor have entered into an in-kind agreement (the "In-Kind Agreement"), which permits the Project Sponsor to receive construction documents with the satisfaction of certain conditions in return for the Project Sponsor's agreement to provide certain in-kind improvements under the terms and conditions set forth therein.
4. Upon the Project Sponsor's satisfaction of the terms of the In-Kind Agreement, the In-Kind Agreement shall terminate and the City will execute and deliver to the Project Sponsor a termination of this Memorandum in recordable form.
5. The Project Sponsor and the City have executed and recorded this Memorandum to give notice of the In-Kind Agreement, and all of the terms and conditions of the In-Kind Agreement are incorporated herein by reference as if they were fully set forth herein. Reference is made to the In-Kind Agreement itself for a complete and definitive statement of the rights and obligations of the Project Sponsor and the City thereunder.

6. This Memorandum shall not be deemed to modify, alter or amend in any way the provisions of the In-Kind Agreement. In the event any conflict exists between the terms of the In-Kind Agreement and this Memorandum, the terms of the In-Kind Agreement shall govern.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum as of the date first written above.

CITY AND COUNTY OF SAN FRANCISCO,
acting by and through its Planning Commission

By: 
Director of Planning

ALTA LAGUNA, LLC
a Delaware limited liability company

By: 
Name: Frank Middleton
Its: Vice President

CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGEMENT

State of California
County of MARIN

On OCT 31st 2012 before me, ALAN COWAN, NOTARY PUBLIC

(here insert name and title of the officer)
personally appeared

FRANK MIDDLETON

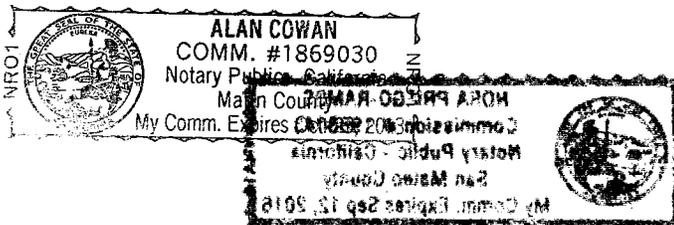
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), 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.

Alan Cowan

Signature of Notary Public

(Notary Seal)



CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGEMENT

State of California
County of San Francisco

On Dec. 14, 2012 before me,
Nora Priego Ramos, Notary Public
(here insert name and title of the officer)
personally appeared

John Samuel Rahaim

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]
Signature of Notary Public

(Notary Seal)

