

RESOLUTION NO. 159-2008

Adopted as amended December 16, 2008

**AUTHORIZING A FIRST AMENDMENT TO THE ACQUISITION
AGREEMENT BETWEEN THE AGENCY AND HPS DEVELOPMENT CO., LP,
A CALIFORNIA LIMITED PARTNERSHIP, SUCCESSOR TO LENNAR-BVHP,
LLC; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA**

BASIS FOR RESOLUTION

1. On April 5, 2005, the Redevelopment Agency of the City and County of San Francisco (the "Agency") and Lennar-BVHP, LLC ("Lennar") entered into an Acquisition Agreement (the "Acquisition Agreement") for the purpose of establishing the terms under which the Agency would acquire certain public improvements (the "Facilities") with proceeds of the Bonds issued by the Agency for Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (the "CFD").
2. The Acquisition Agreement sets forth a detailed list of Facilities (i.e., streets, sidewalks, and water/sewer/drainage systems) to be constructed by Lennar and acquired by the Agency with proceeds of bonds issued for the CFD, and ultimately transferred to the City and County of San Francisco. The Acquisition Agreement also includes a budget for construction of the Facilities.
3. Pursuant to a Purchase, Sale and Contribution Agreement dated as of August 29, 2008 among Lennar Communities, Inc., Lennar Homes of California, Inc., Lennar HW Scala SF GP, LLC, UST Hillwood Opportunities Fund I, LP and UST Lennar HW Scala SF Joint Venture, LP, (i) Lennar-BVHP sold to HPS Development Co., LP, a California limited partnership (the "Developer"), all of Lennar-BVHP's title and interest in and to the taxable land within the CFD and (ii) Lennar-BVHP assigned to the Developer all of Lennar-BVHP's rights and obligations under the various financing documents related to the Bonds and the CFD, including the Acquisition Agreement.
4. Subsequent to execution of the Acquisition Agreement, the Developer has acquired more accurate information with regard to estimated costs and sequencing of Facilities construction. The Developer has obtained an approved Open Space and Streetscape Master Plan on which it can base its estimated costs of Open Space and Parks. The Developer has also entered into a number of construction contracts covering three major components of the Facilities construction, including (1) Demolition and Deconstruction, (2) Mass Grading and Retaining Walls, and (3) Infrastructure. These contracts provide more accurate information on which the Developer can base its estimated costs of Facilities construction. The contracts also provide revised sequencing of Facilities construction, which

more accurately depicts the sequencing that the Developer will utilize during construction.

5. The Agency and the Developer seek to enter into a First Amendment to the Acquisition Agreement (the "First Amendment") (i) to revise Exhibit A to the Acquisition Agreement to more accurately reflect the sequencing of Facilities construction by the Developer and the estimated costs of the various Facilities that may be purchased by the Agency with proceeds of the Bonds, (ii) to delegate to the Director of Public Works and the Agency Executive Director the authority to amend Exhibit A in the future as set forth in the First Amendment, and (iii) to amend certain other provisions of the Acquisition Agreement to reflect changed circumstances, including adoption by the Commission of the Resolution of Change.
6. The Hunters Point Shipyard Citizens Advisory Committee discussed the First Amendment at its subcommittees in October and November, and endorsed the First Amendment at its general meeting on November 10, 2008.
7. Revising Exhibit A of the Acquisition Agreement to update the infrastructure descriptions, add the cost of the Open Space and Parks, and update the budget to match the construction contract costs are administrative activities of the Agency and are not Projects as defined by the California Environmental Quality Act ("CEQA") Guidelines Section 15378(b)(5). The administrative activities would not independently result in a significant physical effect on the environment.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a First Amendment to the Acquisition Agreement between the Agency and HPS Development Co., LP, a California limited partnership (successor to Lennar-BVHP), substantially in the form lodged with the Agency General Counsel, and authorizes the Executive Director and Agency staff to take such additional actions, as may be necessary or appropriate to implement this agreement.

APPROVED AS TO FORM:



for

James B. Morales
Agency General Counsel