OCII
office of
COMMUNITY INVESTMENT
and INFRASTRUCTURE

118-2082020-002

Agenda Item **No. 5(b)**
Meeting of April 7, 2020

COMMISSION MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Nadia Sesay, Executive Director

SUBJECT: Authorizing a Ground Lease and Amended and Restated Loan Agreement with Mission Bay 9 LP, for total aggregate loan amount of $37,245,760 for the development of 141-unit affordable rental housing project serving formerly homeless households (including one manager's unit) at 410 China Basin Street (Mission Bay South Block 9), providing notice that this approval is within the scope of the Mission Bay redevelopment project approved under the Mission Bay Final Subsequent Environmental Impact Report, a program EIR, and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area

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EXECUTIVE SUMMARY

BRIDGE Housing Corporation ("BRIDGE") and Community Housing Partnership ("CHP"), co-developers of the planned 141-unit affordable rental housing project (the "Project") on Mission Bay South Block 9 (Assessor's Parcel No. 8719-003, "Block 9"), are requesting approval of a long-term ground lease and a permanent loan of up to $37,245,760 for the development of the Project. The Project will serve formerly homeless households and will include on-site supportive services tailored to meet resident needs. To build the Project, the co-developers are using modular construction, which the Office of Community Investment and Infrastructure ("OCII") is authorizing for the first time in its affordable housing program. The requested funding amount is included in the approved Recognized Obligations Payment Schedule ("ROPS") for the fiscal year beginning July 1, 2019 and ending June 30, 2020, as Item #417, which was approved by the California Department of Finance ("DOF").

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The Project is located at 410 China Basin Street, an Agency Affordable Housing Parcel (as defined in the Mission Bay South Owner Participation Agreement). The development team consists of BRIDGE and CHP as co-developers, Leddy Maytum Stacy Architects, and CHP as long term-owner, property manager and lead services provider, with additional services provided by HealthRIGHT 360. Together, BRIDGE and CHP are the Project Sponsors and they have formed Mission Bay 9 LP, a California limited partnership, as the development entity for the Project (the "Developer").

The Commission on Community Investment and Infrastructure ("Commission") authorized an Exclusive Negotiations Agreement and a Predevelopment Loan Agreement in the amount of up to $5,000,000 for the Project on February 20, 2018 and approved a basic concept and schematic design on January 15, 2019.

In preparation for the close of construction financing and construction start, planned for July 2020, the Developer is seeking to enter into a 75-year Ground Lease ("Ground Lease") (Attachment A) and an Amended and Restated Loan Agreement ("Loan Agreement") (Attachment B) authorizing an aggregate loan amount not to exceed $37,245,760 (this amount is the total of the existing $5 million predevelopment loan and requested additional gap amount of $32,245,760). The Citywide Affordable Housing Loan Committee approved the loan request on March 6, 2020 (Attachment C).

Staff recommends that the Commission authorize a Ground Lease and an Amended and Restated Loan Agreement, and adopt environmental findings pursuant to the California Environmental Quality Act.

BACKGROUND

Mission Bay Affordable Housing Development

On September 17, 1998, the SFRA Commission conditionally approved the Mission Bay South Owner Participation Agreement with the Mission Bay master developer, Catellus Development Corporation. This approval was subject to the subsequent adoption of the Redevelopment Plan for the Mission Bay South Project Area, which the Board of Supervisors approved, by Ordinance No. 335-98, on November 2, 1998. (The Board of Supervisors had previously approved, by Ordinance No. 327-98 (October 26, 1998), the Redevelopment Plan for the Mission Bay North Project Area.) FOCIL-MB, LLC, as the successor in interest to Catellus, and OCII, as the successor to the Redevelopment Agency, have assumed the rights and obligations under the Owner Participation Agreement, which has been amended four times (as amended, the "South OPA").

The implementation of the development programs for the Mission Bay North and South Redevelopment Project Areas will result in 6,514 residential units, with approximately 29% or approximately 1,916 units set aside as affordable. In Mission Bay North, 700 affordable units (inclusionary and OCII-sponsored) have been completed. In Mission Bay South, the South OPA requires OCII to construct a base number of 1,108 affordable housing units, of which 612 units have been constructed. In addition, Section 3.6 of the MBS Housing Program (Attachment 3 to the South OPA) allows OCII to construct an additional 110 affordable housing units, pending assessment of the development impacts and any necessary approvals, for a maximum total of 1,218 affordable housing units. The affordable units in Mission Bay North and South are comprised of inclusionary affordable units and units developed by non-profit housing developers on OCII Affordable Housing parcels. OCII Affordable Housing parcels comprise 15 acres of land that the Master Developer in Mission Bay North and South is required to contribute to OCII.

The 612 affordable units completed in Mission Bay South consist of 150 units at 1180 4th Street (Block 13 East), 200 units at Five 88 (588 Mission Bay Boulevard North on MBS Block 7 West), 143 units at 626 Mission Bay Boulevard (MBS Block 6 East), and 119 units at 1150 3rd Street (Block 3 East), which was completed earlier this year. Approximately 606 affordable units remain to be completed, including 152 units in the OCII-sponsored affordable development currently under construction on Block 6 West or 691 China Basin Street.

# of Affordable Units	Mission Bay North	Mission Bay South	Mission Bay North and South
Built	700	612	1,312
Under Construction or Planned	0	606*	606*
TOTAL	**700**	**1,218**	**1,918**

* *The South OPA requires OCII to construct a base number of 1,108 affordable housing units. In addition, Section 3.6 of the Mission Bay South Housing Program (Attachment 3 to the South OPA) allows OCII to construct an additional 110 affordable housing units, pending assessment of the development impacts and any necessary approvals, for a maximum total of 1,218 affordable housing units.*

In total and as shown in the table above, 1,312 affordable units (including on-site manager's units) have been completed and 606 units (including the additional 110 allowable affordable units) remain to be completed in the Mission Bay project areas.

Project Background

Constructing permanently affordable, supportive housing for formerly homeless households on Block 9 is in furtherance of the City's goals, which are described in MOHCD's Consolidated Plan (2015-2020) and the priorities of the San Francisco Department of Homelessness and Supportive Housing ("HSH"). OCII released a request for proposals ("RFP") for Block 9 in April 2017, seeking proposals from a qualified applicant team to develop a high-quality affordable rental housing project with extensive on-site services to serve a formerly homeless resident population.

After issuing the RFP, OCII housing staff determined that Block 9 and its housing program was an excellent candidate to consider alternative construction technologies, such as modular-unit construction, to address the rapid increase in construction costs and expedite the delivery of housing for formerly homeless individuals. OCII issued an addendum to the RFP in June 2017, requiring that proposals address two construction scenarios: a conventional construction base line scenario and a scenario proposing alternative construction technologies (such as modular unit construction).

Following the review of two submittals, the evaluation panel recommended the team led by the Sponsors to develop Block 9. This selection was approved by the Commission in October 2017 (Resolution No. 38-2017).

In February 2018, the Commission approved an Exclusive Negotiations Agreement and Predevelopment Loan Agreement for the Project (Resolution No. 3-2018). In January 2019, the Commission approved the Project's Basic Concept/Schematic Design (Resolution No. 1-2019).

Upon completion of the Project, OCII will transfer its assets related to the Site to the Mayor's Office of Housing and Community Development ("MOHCD"), which is the designated Housing Successor under Redevelopment Dissolution Law.

DISCUSSION

Project Description

Block 9 is a 1.08-acre parcel bounded by Mission Rock Street to the north, the Public Safety Building to the west, China Basin Street to the south, and the future extension of Bridgeview Way to the east (please see Attachment D for amenities and transit maps). The Project is a 141-unit affordable housing development serving formerly homeless households. It includes 122 furnished studios, 18 furnished studio-plus units (larger studios intended to accommodate residents with in-home health care needs), and 1 one-bedroom manager's unit.

The proposed Project at Block 9 is organized in a "u" shaped configuration and wraps around a large landscaped central courtyard that opens on to the future Bridgeview Way, a pedestrian passage that is planned to continue north as part of the Port of San Francisco's Mission Rock development. The Project's design emphasizes simplicity, natural light, and ventilation. Corridors terminate in windows and the saw-tooth pattern of the China Basin Street and Mission Rock Street wings provides units with large shaded windows that take advantage of Bay views where available.

Building features and amenities include a large community room with kitchen that opens to the courtyard, a community garden, a resident lounge and game room, a services suite, two parking spaces (for staff and/or loading), and 24 secured bicycle parking spaces. The Developer anticipates that a large portion of Block 9 residents will have physical and mobility disabilities. The Project is designed with these needs in mind, and incorporates Universal Design standards and best practices based on the Developer's experience serving this population.

Tenant Referrals and Supportive Services

The building will serve formerly homeless adult individuals or households (this Project will not serve households with children). All tenants will be referred to the Project through the Department of Homelessness and Supportive Housing's ("HSH") Coordinated Entry System, which prioritizes potential residents by need and vulnerability. All referred potential tenants will be persons experiencing homelessness in San Francisco. HSH will work with OCII and MOHCD to give first priority to Certificate of Preference ("COP") holders (COP holders must also be experiencing homelessness).

CHP will take the lead in providing on-site supportive services to Block 9 residents. CHP services will include resident engagement, case management, behavioral health services, housing retention, and employment training. HealthRight 360 will partner with CHP to provide intensive health services including nursing, psychiatric care, primary medical, mental health, and substance use disorder treatment. Services will be funded through a contract with HSH, Medi-Cal billing, and in-kind work provided by CHP.

Modular Construction

The building will be four stories of Type V wood-framed construction (this construction type is applicable for both site-built and modular building elements). The entire ground floor will be built on-site while the upper floors, consisting primarily of residential units and corridors, will be built off-site using modular construction. The modules will be constructed at Factory OS, located on Mare Island in Vallejo, California, and trucked to Block 9, set with a crane, and connected to site utilities. Exterior finishes and roofing will be added on-site and result in an appearance of conventional construction. Overall, approximately 70% of construction work will be completed on-site.

The use of modular construction is expected to result in hard cost savings of approximately 12% and vertical construction time savings of approximately 4.5 months, resulting in a 16.5-month construction schedule. Based on design development cost estimates, the estimated cost savings from modular construction will be approximately $7.8 million or approximately $55k per unit.

Few projects of this type have been completed in San Francisco, however, three other San Francisco homeless-serving affordable modular housing are currently in various stages final stages of development (one has modules in production at Factory OS but has not yet started site work, another recently closed on construction financing, and another is in the final stages of predevelopment). In addition, BRIDGE has recent experience in building affordable projects using modular construction elsewhere in the Bay Area. With this background, OCII has identified issues that are unique to modular construction and attempted to address them in the transactional documents for this Project.

The use of modular construction has necessitated some changes to the typical development process. Notably, the California Department of Housing and Community Development ("HCD"), rather than City agencies, has permitting and inspecting authority over the factory-built portions of the Project. Nonetheless, the City reviewed the modular plans to confirm that they conform to the City Building Code before the modular permit application was submitted to HCD. The site-built portions of the Project will follow typical City permit and inspection procedures.

In addition, because of the lead time necessary to construct the modules, design and unit construction costs are incurred earlier in the construction process and necessitate a non-standard cost reimbursement method. Typically, OCII receives sponsor's requests for reimbursement on an incremental basis, as work is completed. This allows OCII to inspect the work and confirm it is consistent with the reimbursement request. Similarly, Factory OS will require, and OCII will make, progress payments at intervals during the modules' manufacture, but OCII does not possess the expertise to inspect modules on the manufacturing line. Instead, Developer has contracted with Cahill, the general contractor on the project, to conduct inspections every 48 hours at Factory OS, and has engaged an owner's representative with prior modular construction experience who will conduct semi-weekly inspections at Factory OS to inspect the modules are they are built. OCII will make payments, or will provide a lump sum to the Developer and authorize it to make payments, based on inspection of the work. While this deviates from the typical approach of OCII inspection, and therefore entails some risk that the modules will not be completed as requested and require additional expense to bring up to requirements, OCII staff believe Developer has taken sufficient steps to minimize this risk. In addition, OCII staff will inspect and approve a prototype module that will be used as the basis for modules produced for the Project, which will further allow OCII input into module production and further reduce the risk that the modules are not produced in a manner needed for the Project.

Although the rapidity of modular production is an asset for delivering housing, it does necessitate a compression of typical timeframes for OCII review of requested changes in modular work. As stated, OCII will approve a prototype module that will allow OCII to establish a baseline for finishes and other design characteristics of the module. To the extent changes to these or other portions of the module become necessary, Borrower will provide documentation of the requested change to OCII staff for review and approval or rejection within three business days. Borrower will use its best efforts to alert OCII staff to pending changes orders, to allow OCII staff to prepare for a review and response in the required compressed timeframe.

Because Factory OS is a new company with a limited track record of project completions, it is unable to provide a bond for the modular scope of work. While the general contractor will provide a payment and performance bond for the project as a whole, the modular scope will be excluded based on contractual indemnitees. The general contractor is also unable to enroll Factory OS in its subcontractor default insurance program. To address some of the resulting risk, Factory OS has established a unique insurance policy that will provide liquidated damages on a day for day basis to compensate the project for any delay in the delivery of the modules. In addition to purchasing this policy, the Developer has requested an increase in hard cost contingency from 5% (the MOHCD underwriting standard) to 6% to cover unexpected construction costs resulting from modular construction. A condition is included in the Loan Agreement to note that this additional contingency may only be accessed with approval from the OCII Executive Director.

Also owing to the newness of the Factory OS process, Borrower is concerned that cost overruns may require additional funds for the Project. In the event this occurs, Borrower has requested that OCII refrain from declaring Borrower in default of the OCII Loan Agreement if, as a result, the Loan becomes "out of balance" – i.e, insufficient funds to fund the Project according to the Final Financial Plan – until such time as OCII and Borrower have had an opportunity to meet and confer to determine how to best address any shortfall.

Lastly, although Borrower is limited in its ability to require Factory OS to implement OCII procurement or workforce requirements, OCII will request that Borrower use reasonable efforts to include those provisions, or some of them, in their contracts with Factory OS.

Project Financing and Loan Terms

As previously noted, the Commission approved a $5,000,000 loan in February 2018 to fund predevelopment activities. On March 6, 2020, the Citywide Affordable Housing Loan Committee recommended approval of a total OCII subsidy amount of $37,245,760, which includes the $5,000,000 in existing predevelopment funds as well as an additional $32,245,760 in permanent funding ("OCII Loan"). The additional funds will partially finance construction of the Project, and will be used to leverage additional financing sources. If approved, OCII and Mission Bay 9 LP will enter into an Amended and Restated Loan Agreement ("Loan Agreement") with a term of 55 years, and an interest rate of 1.5% (the interest rate is subject to adjustment between 0% and 3%, subject to approval by the OCII Executive Director and the MOHCD Director based on the Project's need).

In addition to the OCII Loan, the Project is financed with investor equity raised from the sale of 4% Federal Low-Income Housing Tax Credits and State Low Income Housing Tax Credits, a construction loan backed by tax-exempt bonds issued by the City, a low interest loan through the Federal Home Loan Bank Affordable Housing Program ("AHP"), and general partner equity. Funding sources and uses for the Project are summarized in the chart below:

Number of Units:	**141**
Building Square Footage:	**92,566**

Permanent Sources	Amount	Per Unit	Per Sq. Ft.
Federal Tax Credit Equity	$32,907,428	$233,386	$356
State Tax Credit Equity	$9,206,413	$65,294	$99
AHP	$1,500,000	$10,638	$16
General Partner Equity	$500,000	$3,546	$5
Subtotal of Non-OCII Sources	**$44,113,841**	**$312,864**	**$476**
OCII Loan	**$37,245,760**	**$264,154**	**$402**
Total Development Sources	**$81,539,601**	**$577,018**	**$881**
Uses	**Amount**	**Per Unit**	**Per Sq. Ft.**
Hard Costs	$64,628,177	$458,356	$645
Soft Costs	$13,621,424	$96,606	$136
Developer Fee	$3,110,000	$22,057	$31
Total Development Costs	**$81,359,601**	**$577,018**	**$812**

Additional Predevelopment Loan

Primarily to address the upfront costs necessary for modular construction, the Loan Agreement will allow the Developer to access up to approximately $10.9 million of the OCII Loan funds prior to the close of construction financing. These costs include additional upfront design, as well as payments to the modular manufacturer (Factory OS) for deposits, prototype design and construction, and for production payments. As discussed above, the disbursement of these funds is premised on the Developer engaging and placing representatives at the manufacturing facility to inspect work subject to progress payments. These funds also include partial payment for the indicator pile program, which will begin six to eight weeks prior to the full start of construction (Developer will enter into a license agreement with the Mission Bay South master developer for authorization to complete the pile program).

Loan Conditions

The loan closing and funds disbursement are subject to conditions established in the Citywide Loan Committee Loan Evaluation ("Loan Evaluation") (Attachment C, see Section 10.2 beginning on page 24) and Loan Agreement (see Section 3.10). These conditions address:

- Good faith efforts in selecting SBE subcontractors;
- OCII review of final costs and bid selections;

- Preparation and implementation of an updated community outreach plan and an operating plan for the community garden;
- Allowance for additional predevelopment funding as described above;
- Increased hard cost contingency (for use at the discretion of the OCII Executive Director);
- Timely application for LOSP funding and, if directed, for Continuum of Care funds;
- Updated services budget and plan, and a confirmed contract with HSH for services funding;
- Evaluation of performance of modular construction (time and cost implications, other considerations); and
- Parameters for BRIDGE to exist the partnership, no earlier than five years following the conversion to permanent financing.

Ground Lease Terms
OCII will take ownership of the Site from the Mission Bay South master developer, FOCIL, immediately prior to the close of construction financing and will maintain ownership through the construction period. The Developer is seeking to enter into a 75-year Ground Lease (with an option for an additional 24 years) with OCII. Once the Project is complete, Block 9, along with the Lessor's interest in the Ground Lease (and lender's interest in the OCII Loan Agreement) will be transferred to MOHCD as the Housing Successor Agency. MOHCD will perform long-term asset management and ensure compliance with the Ground Lease and Loan Agreement terms. Mission Bay 9 LP will maintain ownership of the building or "improvements". Key terms of the Ground Lease are described below.

Rent
The ongoing operation of the project will be funded through the San Francisco Local Operating Subsidy Program ("LOSP"). For as long as the Project receives LOSP funding, the annual rent will be set at $1.

In the event that the Project is no longer funded by LOSP, the Project will be subject to annual rent as established in the Ground Lease. The annual rent will be equal to 10% of the unrestricted value of the property and will consist of: 1) a base rent of $15,000, which is paid out of the Project's annual operating expenses and accrues if not paid, and 2) a residual rent that is equal to the annual rent less the $15,000 base rent. Residual rent is paid only if there is surplus cash after the Project pays all of its operating expenses, and does not accrue if not paid.

Affordability Restrictions
Block 9 units will be restricted to residents earning 60% AMI or less, however, most residents will be extremely low-income (earning 30% AMI or less). The restriction set at 60% AMI will allow flexibility to accommodate formerly homeless residents who have or gain employment to remain residents of the building until they are able to achieve stability and are no longer in need of intensive services and on-site case management. Residents will pay 30% of their monthly income, if any, toward rent. LOSP will fund the difference between rents collected and the cost to operate the Project.

Construction of the Improvements

The Ground Lease requires that the Developer construct the Project in compliance with the approved construction documents and will continue to monitor progress on the Project until completion. The Ground Lease requires OCII approval of any proposed changes to the construction plans after construction has commenced.

Equal Opportunity Program and Compliance with OCII Policies

The Developer will continue to comply with OCII's Nondiscrimination in Contracts and Benefits, Minimum Compensation, and Health Care Accountability policies and will continue to work closely with Contract Compliance staff to comply with OCII's Small Business Enterprise (SBE) Program on this Project.

The Developer has secured the following SBE percentages on the Project through Professional Services contracts thus far: SBE 49.7%, San Francisco-Based (SF) SBE 47.4%, Minority-Owned Business Enterprise (MBE) 27.2%, Woman-Owned Business Enterprise (WBE) 6.4%.

Of the six largest professional services contracts awarded, five are with either SBEs or to associations with substantial SBE participation. Attachments E and F provide additional detail on the Project's Professional Services contracts, including SBE firm biographies.

During the construction phase, the Sponsors will strive to meet OCII's requirements and goals on the site-built portion of the Project. Goals include the 50% SBE construction subcontracting participation goal, payment of prevailing wages, and the 50% local construction workforce hiring goal. Through a competitive process, the Developer selected Cahill, a San Francisco based general contractor who has agreed to SBE partnership agreements for the concrete and site-built framing scopes. Cahill will work with OCII staff to identify local SBE partners.

COMMUNITY PARTICIPATION

The Developer has reached out to and engaged with the community through a number of forums including Mission Bay Citizens Advisory Committee ("Mission Bay CAC") meetings, tours of similar housing buildings, group meetings, and individual correspondence. Outreach will continue as construction begins and operations plans are formalized.

OCII staff presented the RFP for the Project to the Mission Bay CAC prior to issuance in March 2017, returned to provide an update following issuance of an RFP addendum in June 2017, and presented the recommended team and proposals in September 2017. In addition, staff attended a community-organized evening meeting in May 2017 to provide additional information and respond to community questions, and organized public tours of Rene Cazenave Apartments and Richardson Apartments, both of which serve formerly homeless adult households, in June and July 2017.

Following development team selection, the Developer organized additional tours of similar housing buildings, coordinated and attended meetings with Mission Bay homeowner associations and other local groups, and corresponded directly with individual Mission Bay residents. The Developer has also engaged with the San Francisco Fire and Police Departments, SF Safety Awareness for Everyone ("SF SAFE"), and the San Francisco Giants.

Those members of the community that expressed concerns about the Project have primarily focused on the population to be served and property security. Safety and security have been a key focus for the Developer and design team. Floors are laid out to maximize light and allow sightlines for the Project staff, particularly for the 24-hour front desk personnel. Security cameras will be placed throughout the building interior and exterior and will be monitored by building staff.

The development team presented the Schematic Design to the Mission Bay CAC on December 13, 2018. The CAC took action to move the design forward to the Commission for review and approval. OCII staff has since provided updates regarding development progress and will continue to do so throughout the remainder of predevelopment and throughout construction.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

Commission authorization of the Ground Lease and Amended and Restated Loan Agreement documents facilitates the development of the Project, and is an Implementing Action within the scope of the Mission Bay Project analyzed in the Final Subsequent Environmental Impact Report for Mission Bay North and South ("FSEIR"); and, therefore requires no further environmental review beyond the FSEIR pursuant to the State CEQA Guidelines Sections 15180, 15162 and 15163 for the following reasons:

(1) The Implementing Action is consistent with the Mission Bay Project analyzed in the FSEIR and does not require major revisions to the FSEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant impacts; and,

(2) no substantial changes have occurred with respect to the circumstances under which the Mission Bay Project analyzed in the FSEIR will be undertaken that would require major revisions to the FSEIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the FSEIR; and,

(3) no new information of substantial importance relating to the development of affordable housing on Block 9 has become available, which would indicate that (i) the Block 9 Project will have significant effects not discussed in the FSEIR; (ii) significant environmental effects will be substantially more severe; (iii) mitigation measures or alternatives found not feasible, which would reduce one or more significant effects, have become feasible; or (iv) mitigation measures or

alternatives, which are considerably different from those in the FSEIR, will substantially reduce one or more significant effects on the environment that would change the conclusions set forth in the FSEIR.

NEXT STEPS

The Developer will begin in the indicator pile program in May or June 2020. Construction financing is anticipated to close in July or August 2020, and construction will commence immediately after. Construction is scheduled to be complete by November or December 2021. Upon full occupancy of the Project, the land, Ground Lease, and Loan will be transferred to MOHCD as the Housing Successor Agency under Dissolution Law.

(Originated by Kim Obstfeld, Development Specialist)

Nadia Sesay
Executive Director

Attachments:
A. Ground Lease Agreement
B. Amended and Restated Loan Agreement
C. Loan Evaluation (March 6, 2020)
D. Site and Amenities Maps
E. SBE Consultant Summary
F. Consultant Biographies

1

GROUND LEASE

This Ground Lease ("Lease") is dated as of, **___________** 20___, by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF CITY AND COUNTY OF SAN FRANCISCO, a public body, organized and existing under the laws of the State of California, commonly known as the Office of Community Investment and Infrastructure ("**OCII**" or the "**Landlord**"), and Mission Bay 9 LP, a California limited partnership, as tenant (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**") and the City and County of San Francisco (the "**City**") established the Mission Bay South Redevelopment Project Area (the "**Project Area**").

B. In accordance with the CRL, the City, acting through its Board of Supervisors, approved a Redevelopment Plan for the Mission Bay South Redevelopment Project Area by Ordinance No. 335-98 adopted on November 2, 1998 and adopted a first amendment on July 9, 2013 by Ordinance No. 143-13 and a second amendment on March 6, 2018 by Ordinance No. 32-18. The Redevelopment Plan is referred to as the "**Mission Bay South Redevelopment Plan**." In cooperation with the City, the Former Agency was responsible for implementing the Mission Bay South Redevelopment Plan.

C. The Mission Bay South Redevelopment Plan provides for the redevelopment, construction, and revitalization of the area generally bounded by the China Basin Channel, Seventh and Mariposa Streets, and the San Francisco Bay, containing approximately 238 acres of land, into a mixed-use development comprised of public open space, retail, commercial, entertainment uses, and parking and loading uses.

D. The Mission Bay South Owner Participation Agreement (the "**OPA**") between the Former Agency and Catellus Development Corporation (succeeded by FOCIL-MB, LLC, the "**Master Developer**") includes the Mission Bay South Housing Program (Attachment C to the OPA), which (as currently amended) provides that the Master Developer will contribute parcels of land within the Project Area to the Former Agency, at no cost, for the development of up to one thousand two hundred eighteen (1,218) affordable housing units (defined in the OPA as "**Agency Affordable Housing Parcels**").

E. On February 1, 2012, the State of California dissolved all redevelopment agencies, including the Former Agency, by operation of law pursuant to California Health and Safety Code Sections 34170 et seq. ("**Redevelopment Dissolution Law**"). Under the authority of the Redevelopment Dissolution Law and under San Francisco Ordinance No. 215-12 (October 4, 2012) (establishing the Successor Agency Commission, the "**Commission**") and delegating to it state authority under the Redevelopment Dissolution Law), OCII is administering enforceable obligations of the Former Agency.

F. On January 24, 2014, the California Department of Finance made a final and conclusive determination pursuant to Redevelopment Dissolution Law that the OPA, the Mission Bay South Tax Increment Allocation Pledge Agreement, and the Mission Bay South Allocation Pledge Agreement Housing are enforceable obligations that survive the dissolution of the Former Agency, and require OCII to administer the development authorized under the Mission Bay South Redevelopment Plan, OPA, and related South Plan Documents, including the obligation to fund construction of affordable housing on the Agency Affordable Housing Parcels.

G. In 2015, the State of California adopted amendments to the Redevelopment Dissolution Law, codified in Health and Safety Code Section 34177.7, which authorized OCII to incur indebtedness for the purpose of funding development of affordable housing, including of the Agency Affordable Housing Parcels.

H. On April 6, 2017, OCII issued a Housing Development Request for Proposals, and on June 7, 2017 OCII issued a Revised Housing Development Request for Proposals to develop and operate affordable rental housing units with supportive services for formerly homeless households on an Agency Affordable Housing Parcel within the Mission Bay South Residential land use district of the Project Area, that parcel being commonly referred to as Block 9 and more particularly described in Attachment 1 (the "**Site**"). On October 17, 2017, the Commission selected, by Resolution No. 38-2017, BRIDGE Housing Corporation and Community Housing Partnership to develop the Project. Accordingly, the Commission approved, by Resolution No. 03-2018, an Exclusive Negotiations Agreement ("ENA") by and between OCII and Tenant on February 20, 2018. In connection with the ENA, the parties entered into an Option to Lease dated August 14, 2019. On November 12, 2019, the OCII Executive Director authorized extensions of the ENA and Option to Lease terms to July 20, 2020.

I. Tenant intends to construct on the Site approximately one hundred forty one (141) residential units, including one hundred forty units of low-income rental housing and one unrestricted manager's unit, with supportive services for formerly homeless households, a community garden, and related management, services and amenity space, all as more particularly set forth in the Basic Concept and Schematic Designs for the Improvements approved on January 19, 2019 by Commission Resolution No. 01-2019, and as further set forth in Design Development Documents for the Improvements, approved by OCII on July 25, 2019, and as may be further revised in accordance with Redevelopment Requirements (the "**Improvements**" or "**Project**").

J. Pursuant to authorization by Commission Resolution No. 03-2018, dated February 20, 2018, OCII entered into a Predevelopment Loan Agreement with Tenants for funds of up to Five Million Dollars ($5,000,000) to fund certain costs related to the development of the Project (the "**Predevelopment Loan**").

K. On March 6, 2020 the Citywide Affordable Housing Loan Committee approved a loan to the Tenant for the development of the Project for an aggregate amount not to exceed Thirty Seven Million Two Hundred Forty Five Thousand Seven Hundred Sixty Dollars ($37,245,760), which includes the Predevelopment Loan amount of $5,000,000.

L. On April 7, 2020 the Commission approved a loan to the Tenant for the development of the Project in an aggregate amount not to exceed [Thirty Seven Million Two Hundred Forty Five Thousand Seven Hundred Sixty Dollars ($37,245,760)], including the Predevelopment Loan amount (the "**OCII Loan**," the final amount of which shall be confirmed in accordance with the Loan Documents), pursuant to Commission Resolution No. __-2020.

M. In accordance with the OPA, on or about ________, 2020 the Master Developer will transfer the Site to OCII.

N. OCII now intends to lease the Site to Tenant for the purposes of constructing and maintaining the Project on the Site, in accordance with the terms of this Ground Lease.

O. For purposes of implementation and to ensure consistency with the City's overall affordable housing goals and priorities, OCII has engaged the City's Mayor's Office of Housing and Community Development ("**MOHCD**") to provide loan disbursement services for the Project, in cooperation with OCII.

P. Upon completion of the Project, OCII intends to assign its rights and obligations under this Ground Lease and the Loan Documents, together with conveyance of fee title to the Site, to MOHCD as the designated Housing Successor of the City and County of San Francisco under Board of Supervisors Resolution 11-12, as required by Redevelopment Dissolution Law and OCII's approved Long-Term Property Management Plan dated December 2015.

NOW THEREFORE, in consideration of the mutual obligations of the parties to this Lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Site, for the Term (as defined in ARTICLE 2), and subject to the terms, covenants, agreements, and conditions set forth below, each and all of which Landlord and Tenant 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 Affordable Housing Parcels** has the meaning set forth in Recital D.

1.02 **Agreement Date** means the date first set forth above.

1.03 **Annual Rent** has the meaning set forth in Section 4.01(a).

1.04 **Area Median Income** (or **AMI**) means median income as published annually by MOHCD, derived from the Income Limits determined by the United States Department of Housing and Urban Development for the San Francisco area, adjusted solely for household size, but not high housing cost area, also referred to as "Unadjusted Median Income."

1.05 **Base Rent** has the meaning set forth in Section 4.02(a).

1.06 **Base Rent Accrual** has the meaning set forth in Section 4.02(b).

1.07 **Certificate of Occupancy** means a Temporary Certificate of Occupancy or a Final Certificate of Occupancy as issued by the San Francisco Department of Building Inspection.

1.08 **Certificate of Completion** has the meaning set forth in Section 11.01.

1.09 **Change** has the meaning set forth in Section 12.02.

1.10 **City** means the City and County of San Francisco.

1.11 **Claim(s)** has the meaning set forth in Section 21.01.

1.12 **Construction Documents** has the meaning set forth in Section 10.03.

1.13 **CRL** means the California Community Redevelopment Law (Health and Safety Code, section 33000 *et seq*.).

1.14 **Effective Date** means the date on which the Memorandum of Ground Lease is recorded in the Official Records of the County of San Francisco.

1.15 **Environmental Law** has the meaning set forth in Section 21.02(b)(ii).

1.16 **Facilities Condition Report** has the meaning set forth in Section 17.03.

1.17 **First Lease Payment Year** means the year in which the 141st and final residential unit receives its Certificate of Occupancy, which may be a full or partial Lease Year depending on the date of issuance of the Certificate of Occupancy.

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

1.19 **Former Agency** has the meaning set forth in Recital A.

1.20 **Ground Lease** means this Ground Lease, as amended from time to time.

1.21 **Hazardous Substance** has the meaning set forth in Section 21.02(b)(i).

1.22 **Holder** has the meaning set forth in Section 25.02.

1.23 **Improvements** means all physical construction, including all structures, fixtures, and other improvements, to be constructed or rehabilitated on the Site.

1.24 **Indemnified Party or Parties** has the meaning set forth in Section 21.01.

1.25 **Landlord** means the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, commonly known as the Office of Community Investment and Infrastructure, and its successors and/or assigns.

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

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

1.28 **Leasehold Estate** means the estate held by the Tenant created by and pursuant to this Lease.

1.29 **Leasehold Mortgage** means any mortgage, deed of trust, trust indenture, letter of credit, or other security instrument, and any assignment of the rents, issues, and profits from the Site, or any portion thereof, that constitutes a lien on the Leasehold Estate and is approved in writing by Landlord.

1.30 **Lender** means any entity holding a Leasehold Mortgage.

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

1.32 **Local Operating Subsidy Program ("LOSP")** means the program administered by MOHCD that provides operating income to the Project to offset costs associated with the provision of housing to low-income formerly homeless residents.

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

1.34 **Low-Income Households** means a tenant household with combined initial income that does not exceed sixty percent (60%) of Area Median Income.

1.35 **Master Developer** has the meaning set forth in Recital D.

1.36 **Memorandum of Ground** lease has the meaning set forth in Article 48. A form of the Memorandum of Ground Lease is included as Attachment 5.

1.37 **MOHCD** means the San Francisco Mayor's Office of Housing and Community Development.

1.38 **New Developer** has the meaning set forth in Section 10.16.

1.39 **OCII** means the San Francisco Office of Community Investment and Infrastructure, 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, Landlord under this Lease.

1.40 **OCII Loan** has the meaning set forth in Recital L.

1.41 **OPA** has the meaning set forth in Recital D.

1.42 **Permitted Limited Partner** means NEF Assignment Corporation, as nominee,, as investor limited partner, and its successors and assigns as approved by Landlord.

1.43 **Personal Property** means all fixtures, furniture, furnishings, equipment, machinery, supplies, software and other tangible personal property that is located in, on, or about the Premises and that can be removed from the Premises without substantial economic loss to the Premises or substantial damage to the Premises and that is incident to the ownership, development, or operation of the Improvements or the Premises, belonging to Tenant, any Residential Occupant, or any subtenant or other occupant of the Premises and/or in which Tenant, Residential Occupant, or any subtenant or other occupant has an ownership interest, together with all present and future attachments, replacements, substitutions, and additions thereto or therefor.

1.44 **Premises** means the Site and all Improvements.

1.45 **Predevelopment Loan** has the meaning set forth in Recital J.

1.46 **Prohibited Use** has the meaning set forth in Section 9.02.

1.47 **Project** has the meaning given in Recital I. If indicated by context, Project means the Leasehold Estate and the fee interest in the Improvements on the Site.

1.48 **Project Expenses** means the following costs, which may be paid from Project Income to the extent of available Project Income: (a) all charges incurred in the operation of the Project for utilities, real estate and/or possessory interest taxes, assessments, and premiums for insurance required under this Lease or by lenders providing secured financing for the Project; (b) salaries, wages, and other compensation due and payable to the employees or agents of Tenant who maintain, administer, operate, or provide services 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 any financing that has been approved by OCII and is secured by either the Tenant's leasehold interest, the Project constructed thereon, or both, and used to finance the Project; (d) all other expenses actually incurred by Tenant to cover routine operating and services provision costs of the Project, including maintenance and repair and the reasonable fee of any managing agent; (e) annual Base Rent payments; (f) required, and necessary, deposits to reserves accounts required to be established under the Loan Documents; (g) the approved annual property management fees as approved in the Loan Documents; (h) an annual bond monitoring fee, pursuant to the City and County of San Francisco Multifamily Securities Manual dated October 1, 2018, as may be updated from time to time; (i) an annual project sponsor asset management fee in an amount of no more than $23,460 in the first year of operations, and increasing by 3.5% annually; and (j) any extraordinary expenses reasonably approved in advance by OCII (other than expenses paid from any reserve account). Project Fees are not Project Expenses.

1.49 **Project Fees** means (i) an annual asset management and partnership management fee in the amount of $23,450 in the first year of operations, increasing by 3.5% annually, payable to the Tenant's general partner, and (ii) a limited partner asset management fee/annual investor services fee in the amount of $5,000, increasing by 3.5% annually, payable to Tenant's investor limited partner[s], approved by OCII and consistent with the MOHCD Multifamily Affordable Housing Operating Fees Policy (effective April 1, 2016), as may be amended from time to time.

1.50 **Project Income** means all revenue, income, receipts, and other consideration actually received from the operation of leasing the Improvements, including without limitation: all rents, fees, and charges paid by Residential Occupants; Section 8 or other rental subsidy payments received for the dwelling units; supportive services funding; deposits forfeited by tenants; all cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements; proceeds from vending and laundry room machines; accrued interest disbursed from any reserve account required under this Lease for a purpose other than that for which the reserve account was established; and the proceeds of business interruption or similar insurance. Project Income does not include tenants' security deposits, loan proceeds, capital contributions, or similar advances.

1.51 **Redevelopment Dissolution Law** has the meaning set forth in in Recital E.

1.52 **Redevelopment Requirements** has the meaning set forth in the OPA and its Attachment C (Mission Bay South Housing Program).

1.53 **Release** has the meaning set forth in Section 21.02(b)(iii).

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

1.55 **Residential Unit** has the meaning set forth in Section 9.01.

1.56 **Residual Rent** has the meaning set forth in Section 4.03.

1.57 **Site** means the real property as more particularly described in the Site Legal Description, Attachment 1.

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

1.59 **Subsidy Reserve Account** means a checking account maintained by Tenant for the purpose of maintaining LOSP funds that were not used during a given LOSP Subsidy Year to be used in the next LOSP Subsidy Year.

1.60 **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. All permitted uses and distributions of Surplus Cash will be governed by Section 6.02(g) of this Lease.

1.61 **Tenant** means Mission Bay 9 LP, a California limited partnership and its successors and assigns (or a Subsequent Owner, where appropriate).

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

ARTICLE 2 TERM

2.01 Initial Term. The term of this Lease will commence upon the Effective Date and will end seventy-five (75) years from that date ("**Term**"), unless extended under Section 2.02 below or earlier terminated as provided in this Lease.

2.02 Option for Extension. The Term may be extended at the option of the Tenant for one twenty-four (24) year period, as provided in this Article below. If the Term is extended pursuant to this Section, all applicable references in this Lease to the "Term" will mean the Term as extended by this extension period.

2.03 Notice of Extension. Not later than one hundred eighty (180) days before the Termination Date, the Tenant may notify Landlord in writing that it wishes to exercise its option to extend the term of this Lease (an "**Extension Notice**"). Provided that the Tenant is not in default under the terms of this Lease and the Loan Documents either at the time of giving of an Extension Notice or on the last day of the initial seventy-five year Term (the "**Termination Date**"), the Term will be extended for twenty-four (24) years from the Termination Date upon Tenant's exercise of this option, for a total Lease term not to exceed ninety-nine (99) years.

2.04 Rent During Extended Term. Rent for any extended term will be as set forth in ARTICLE 4.

2.05 Holding Over. Any holding over after expiration or earlier termination of the Term without Landlord's written consent will constitute a default by Tenant and entitle Landlord to exercise any or all of its remedies as provided in this Lease, even if Landlord elects to accept one or more payments of Annual Rent. Failure to surrender the Site in the condition required by this Lease will constitute holding over until the conditions of surrender are satisfied.

ARTICLE 3 FINANCIAL ASSURANCE

Tenant will submit for Landlord's approval, on the dates specified in the Schedule of Performance, Attachment 2, evidence satisfactory to Landlord 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 Lease as is acceptable to Landlord. Landlord acknowledges that as of the Effective Date Tenant has met this requirement.

ARTICLE 4 RENT

4.01 Annual Rent

4.01(a) *To the extent Base Rent and Residual Rent are due pursuant to Section 4.02 and 4.03,* Tenant will pay to Landlord **______________________** Dollars ($**__________**) [to be added based on results of appraisal] (the "**Annual Rent**") per year for each year of the Term of this Lease. Annual Rent consists of Base Rent and Residual Rent, as defined in <u>Section 4.02</u> below, without offset of any kind (except as otherwise permitted by this Lease) and without necessity of demand, notice or invoice. Annual Rent will be re-determined on the fifteenth (15th) anniversary of the date of the first payment of Base Rent pursuant to <u>Section 4.02(a)</u> below and every fifteen (15) years thereafter, and will be equal to ten percent (10%) of the appraised fair market value of the Site as determined by an MAI appraiser selected by and at the sole cost of the Tenant. Any such adjustment will be made to the Residual Rent and not to the Base Rent.

4.01(b) If the Tenant elects to extend the Term of this Lease pursuant to <u>ARTICLE 2</u> above, Annual Rent (along with any potential future adjustments) during any such extended Term will be set by mutual agreement of the parties; <u>provided</u>, <u>however</u>, that Annual Rent during the extended Term will in no event be less than the Annual Rent set forth in <u>Section 4.01(a)</u> above. If the parties cannot agree on Annual Rent for the extended Term, either party may invoke a neutral third-party process and the parties will agree on a neutral third-party appraiser to set the Annual Rent at fair market rent in accordance with the then-prevailing practice for resolving similar rent determination disputes in San Francisco or, in the event that there is no then-prevailing practice, in accordance with the rules of the American Arbitration Association. Notwithstanding the foregoing, after the neutral third party process, Tenant, in its sole discretion, may rescind the Extension Notice if it does not wish to extend the Term of this Lease.

4.02 <u>Base Rent</u>

4.02(a) "**Base Rent**" means, *in any given Lease Year that is a LOSP Subsidy Year, One Dollar ($1.00) per annum.* In any given Lease Year that is not a LOSP Subsidy Year, Base Rent means Fifteen Thousand Dollars ($15,000) per annum; <u>provided</u>, <u>however</u>, that if the Tenant or any Subsequent Owner fails, after notice and opportunity to cure, to comply with the provisions of <u>Section 9.01</u>, then Base Rent will be increased to the full amount of Annual Rent, in addition to any other remedies of Landlord for said default. Base Rent will be due and payable in arrears on January 31st following the Lease Year for which it is owed; provided, however, Base Rent for the First Lease Payment Year shall be equal to Fifteen Thousand Dollars ($15,000) multiplied by the number of days in the First Lease Payment Year, divided by three hundred sixty-five (365); and provided further that no Base Rent will be due until all Residential Units have received Certificates of Occupancy.

4.02(b) If the Project does not have sufficient Project Income to pay Base Rent in any given Lease Year after the payment of (a) through (d) in the definition of Project Expenses, above, and Landlord has received written notice from Tenant regarding its inability to pay Base Rent from Project Income at least sixty (60) days before the Base Rent due date, along with supporting documentation for Tenant's position that it is unable to pay Base Rent from Project Income, then the unpaid amount will be deferred and all deferred amounts will accrue without interest until paid ("**Base Rent Accrual**"). The Base Rent Accrual will be due and payable each year from and to the extent Surplus Cash is available. Any Base Rent Accrual will be due and payable upon the earlier of (i) sale of the Project (but not a refinancing or foreclosure of the Project); or (ii) termination of this Lease (unless a new lease is entered into with a mortgagee under Section 26.09 below).

4.02(c) If Tenant has not provided Landlord with the required written notice and documentation under Section 4.02(b) in connection with its claim that it cannot pay Base Rent due to insufficient Project Income, and/or Landlord has reasonably determined that Tenant's claim that it is unable to pay Base Rent is not supported by such documentation, Landlord will assess a late payment penalty of two percent (2%) for each month or any part thereof that any Base Rent payment is delinquent. This penalty will not apply to Base Rent Accrual that has been previously approved by Landlord under Section 4.02(b). The Tenant may request in writing that Landlord waive such penalties by describing the reasons for Tenant's failure to pay Base Rent and Tenant's proposed actions to ensure that Base Rent will be paid in the future. Landlord 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, ___________________ Dollars ($____________) [to be determined based on results of appraisal] Annual Rent less Base Rent, subject to any periodic adjustments under Section 4.01(a). Commencing with the First Lease Payment Year, Residual Rent will be due in arrears on May 15th following the Lease Year for which it is owed, provided that the Residual Rent for the First Lease Payment Year shall be due on May 15th of the following calendar year and shall be equal to the difference of Base Rent subtracted from Annual Rent then multiplied by the number of days in the First Lease Payment Year then divided by three hundred sixty-five (365). Residual Rent will be payable only to the extent of Surplus Cash as provided in Section 6.02(g) below, and any unpaid Residual Rent will not accrue. Furthermore, Residual Rent shall not be due during any Lease Year prior to the First Lease Payment Year or and Lease Year which is a LOSP Subsidy Year; provided, however, that if there is Surplus Cash available to pay Residual Rent during any given LOSP Subsidy Year, such funds will be placed in the Subsidy Reserve Account. In the event that in any year Surplus Cash is insufficient to pay the full amount of the Residual Rent, Tenant will certify to Landlord in writing and no later than May 15th of the calendar year the Residual Rent is due, that available Surplus Cash is insufficient to pay Residual Rent and Tenant will provide to Landlord any supporting documentation reasonably requested by Landlord to allow Landlord to verify the insufficiency.

4.04 Triple Net Lease. This Lease is a triple net lease and the Tenant will be responsible to pay all costs, charges, taxes, impositions, and other obligations related to the Premises accruing after the Effective Date. If Landlord pays any such amounts, whether to cure a default or otherwise protect its interests hereunder, Landlord 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 Landlord. Failure to timely pay the additional rent will be a default by Tenant of this Lease. No occurrence or situation arising during the Term, or any Law, whether foreseen or unforeseen, and however extraordinary, relieves Tenant from its liability to pay all of the sums required by any of the provisions of this Lease, or otherwise relieves Tenant from any of its obligations under this Lease, or gives Tenant any right to terminate this Lease in whole or in part.

ARTICLE 5 LANDLORD COVENANTS

OCII is duly created, validly existing and in good standing under the Law, and has full right, power and authority to enter into and perform its obligations under this Lease. Landlord covenants and warrants that the Tenant and its tenants will have, hold and enjoy, during the 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 Lease.

ARTICLE 6 TENANT COVENANTS

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

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

6.02 Use of Site and Rents. During the Term of this Lease, Tenant and its successors and assigns will comply with the following requirements:

6.02(a) Permitted Uses. Tenant will devote the Site to, exclusively and in accordance with, the uses specified in this Lease, as specified in ARTICLE 9 below, which are the only uses permitted by this Lease. Tenant acknowledges that that a prohibition on the change in use contained in Section 9.01 is expressly authorized by California Civil Code section 1997.230 and is fully enforceable.

6.02(b) Non-Discrimination. Tenant herein covenants by and for itself, its assigns, and all persons claiming under or through it, and this lease is made and accepted upon and subject to the following conditions: 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 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 leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Premises herein leased nor shall the tenant himself or herself, or any person 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, sublessees, subtenants, or vendees in the Premises herein leased. Tenant will 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 must include the legend "Equal Housing Opportunity" in type or lettering of easily legible size and design, or as required by applicable Law.

6.02(d) Access for Disabled Persons. Tenant will comply with all applicable Laws providing for access for persons with disabilities, including, but not limited to, the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973.

6.02(e) Equal Opportunity Marketing Plan. Tenant will submit a Fair Housing Marketing Plan to be approved by OCII. Any Fair Housing Marketing Plan must follow OCII/MOHCD marketing requirements for such plans.

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

6.02(g) Permitted Uses of Surplus Cash. All annual Project Income, before the calculation of Surplus Cash, will be used to pay Project Expenses, including but not limited to Base Rent, and Project Fees. If the Tenant is in compliance with all applicable requirements and agreements under this Lease, Tenant will then use any Surplus Cash to make the following payments in the following order of priority:

i. First to Base Rent Accrual payments, if any;

ii. Second, to replenish the operating reserve account, if necessary, up to the amount required by Lenders or the Permitted Limited Partner;

iii. Third, in any LOSP Year, any unused funds will be placed in a Subsidy Reserve Account. In any year that is not a LOSP Year, two-thirds (2/3) of remaining Surplus Cash to Landlord; provided, however, if the Project includes a deferred developer fee and Tenant is in compliance with the OCII Loan documents and MOHCD policies, then fifty percent (50%) of remaining Surplus Cash to OCII beginning on the initial Payment Date (as such term is defined in the OCII Loan documents) until and including the earlier of the year (i) of the fifteenth (15th) Payment Date, or (ii) in which all deferred developer fees have been paid to Tenant. Landlord's portion of Surplus Cash will be applied first to Residual Rent, and if any Surplus Cash remains, to repayment of the Loan Agreement; and

iv. Then, any remaining Surplus Cash may be used by Tenant for any purposes permitted under the residual receipt policy governing the Property, as it may be amended from time to time.

Notwithstanding the foregoing, Tenant and Landlord agree that the distribution of Surplus Cash may be modified based on the requirements of other Lenders.

6.02(h) Subsidy Reserve Account. Tenant shall establish a checking account in a bank or savings and loan institution acceptable to Landlord, as a segregated account insured by the Federal Deposit Insurance Corporation or other comparable federal insurance program, into which it will deposit monies in accordance with Section 4.03 and used only for those purposes that are approved by LOSP.

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

ARTICLE 7 ANNUAL INCOME COMPUTATION, AND CERTIFICATION

Forty-five (45) days after recordation of an NOC (as defined in Section 10.15) by the Tenant for the Improvements, and not later than May 31st of each year thereafter, Tenant will furnish to Landlord a list of the persons who are Residential Occupants of the Improvements, the specific unit that each person occupies, the household income of the Residential Occupants of each unit, the household size and the rent being charged to the Residential Occupants of each unit along with an income certification, in the form set forth in Attachment 6, for each Residential Occupant. In addition, each Residential Occupant must be required to provide any other information, documents, or certifications deemed necessary by OCII/MOHCD to substantiate the Residential Occupant's income. If any state or federal agency requires an income certification for Residential Occupants of the Improvements containing the above-referenced information, Landlord agrees to accept such certification in lieu of Attachment 6 as meeting the requirements of this Lease.

ARTICLE 8 CONDITION OF SITE—"AS IS”

8.01 Tenant acknowledges and agrees that Tenant is familiar with the Site, the Site is being leased and accepted in its "as-is" condition, without any improvements or alterations by Landlord, without representation or warranty of any kind, and subject to all applicable Laws governing their use, development, occupancy, and possession. Tenant further represents and warrants that Tenant has investigated and inspected, either independently or through agents of

Tenant's own choosing, the condition of the Site and the suitability of the Site for Tenant's intended use. Tenant acknowledges and agrees that neither Landlord nor any of its agents have made, and Landlord hereby disclaims, any representations or warranties, express or implied, concerning the rentable area of the Site, the physical or environmental condition of the Site, or the present or future suitability of the Site for Tenant's use, or any other matter whatsoever relating to the Site, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose; it being expressly understood that the Site is being leased in an "AS IS" condition with respect to all matters.

8.02 Accessibility Disclosure. California Civil Code Section 1938 requires commercial landlords to disclose to tenants whether the property being leased has undergone inspection by a Certified Access Specialist ("**CASp**") to determine whether the property meets all applicable construction-related accessibility requirements. The law does not require landlords to have the inspections performed. Tenant is hereby advised that the Site has not been inspected by a CASp.

ARTICLE 9 PERMITTED AND PROHIBITED USES

9.01 Permitted Uses and Occupancy Restrictions. The permitted uses of the Project are limited to one hundred forty (140) units of affordable rental housing plus one manager's unit, collectively, the "**Residential Units**") and common areas constituting the Project. Upon the completion of construction, one hundred forty (140) of the Residential Units in the Project will be occupied or held vacant and available for rental by Low-Income Households. In addition, for so long as the Project is receiving sufficient operating subsidy under LOSP or a similar subsidy program, one hundred forty (140) of the Residential Units must be leased to households that have experienced homelessness as defined in the LOSP guidelines or guidelines for a similar subsidy program. Residential Units must be occupied and rented in accordance with all applicable restrictions imposed on the Project by this Lease and by Lenders for so long as such restrictions are required by the Lease and/or the applicable Lender.

9.02 Prohibited Uses. Tenant agrees that the following activities, by way of example only and without limitation, and any other use that is not a Permitted Use (in each instance, a "**Prohibited Use**" and collectively, "**Prohibited Uses**"), are inconsistent with this Lease, are strictly prohibited and are considered Prohibited Uses:

9.02(a) any activity, or the maintaining of any object, that is not within the Permitted Use;

9.02(b) any activity, or the maintaining of any object, that will in any way increase the existing rate of, affect or cause a cancellation of, any fire or other insurance policy covering the Premises, any part thereof or any of its contents;

9.02(c) any activity or object that will overload or cause damage to the Premises excluding normal wear and tear;

9.02(d) any activity that constitutes waste or nuisance, including, but not limited to, the preparation, manufacture or mixing of anything that might emit any objectionable odors, noises, or lights onto adjacent properties, or the use of loudspeakers or sound or light apparatus that can be heard or seen outside the Premises;

9.02(e) any activity that will in any way injure, obstruct, or interfere with the rights of owners or occupants of adjacent properties, including, but not limited to, rights of ingress and egress;

9.02(f) any auction, distress, fire, bankruptcy or going out of business sale on the Premises without the prior written consent of Landlord, which consent may be granted, conditioned, or withheld in the sole and absolute discretion of Landlord;

9.02(g) any vehicle and equipment maintenance, including but not limited to, fueling, changing oil, transmission or other automotive fluids;

9.02(h) the storage of any and all excavated materials, including but not limited to, dirt, concrete, sand, asphalt, and pipes, except to the extent necessary during construction of the Project; and/or

9.02(i) the storage of any and all aggregate material, or bulk storage, such as wood or of other loose materials, except to the extent necessary during construction of the Project.

ARTICLE 10 SUBDIVISION; CONSTRUCTION OF IMPROVEMENTS

10.01 Schedule of Performance. Tenant agrees to undertake and complete all physical construction on the Site in accordance with the Schedule of Performance, Attachment 2.

10.02 Reserved.

10.03 General Requirements and Rights of Landlord. All construction documents for the construction of the Improvements by Tenant (the “**Construction Documents**”) must be prepared by a person registered in and by the State of California to practice architecture and shall be in conformity with this Lease, including any limitations established in OCII’s approval of the schematic drawings, preliminary construction documents, and final construction documents for the Project, and all applicable Federal, State, and local laws and regulations. The architect will use, as necessary, members of associated design professions, including engineers and landscape architects.

10.04 OCII Approvals and Limitation Thereof. The Construction Documents must be approved by OCII in the manner set forth below:

10.04(a) Compliance with Redevelopment Plan and Lease. OCII’s approval with respect to the Construction Documents is limited to determination of their compliance with the Plan Documents as that term is defined in that certain Redevelopment Plan for the Project Area requirements, and this Lease. The Construction Documents will be subject to general architectural review and guidance by OCII as part of this review and approval process.

10.04(b) OCII Does Not Approve Compliance with Construction Requirements. OCII's approval is not directed to engineering or structural matters or compliance with local building codes and regulations, the Americans with Disabilities Act, or any other applicable Law relating to construction standards or requirements. Nothing in this Lease will limit in any way Tenant's obligation to obtain any required approvals from City officials, departments, boards or commissions having jurisdiction over the Premises. By entering into this Lease, OCII is in no way modifying or limiting Tenant's obligation to cause the Premises to be used and occupied in accordance with all applicable Laws.

10.05 Construction to be in Compliance with Construction Documents and Law.

10.05(a) Compliance with Approved Documents. The construction must be in compliance with the OCII-approved Construction Documents.

10.05(b) Compliance with Local, State and Federal Law. The construction must be in strict compliance with all applicable Laws. Tenant understands and agrees that Tenant's use of the Premises and construction of the Improvements permitted under this Lease will require authorizations, approvals, or permits from governmental regulatory agencies with jurisdiction over the Premises, including, without limitation, City agencies. Tenant will be solely responsible for obtaining any and all such regulatory approvals. Tenant will bear all costs associated with applying for and obtaining any necessary or appropriate regulatory approval and will be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval; provided, however, any such condition that could affect use or occupancy of the Project or OCII's interest therein must first be approved by OCII in its sole discretion. Any fines or penalties levied as a result of Tenant's failure to comply with the terms and conditions of any regulatory approval will be immediately paid and discharged by Tenant, and Landlord will have no liability, monetary or otherwise, for any such fines or penalties. Tenant will indemnify, defend, and hold harmless OCII and the other Indemnified Parties hereunder against all Claims (as such terms are defined in ARTICLE 21 below) arising in connection with Tenant's failure to obtain or failure by Tenant, its agents, or invitees to comply with the terms and conditions of any regulatory approval except to the extent such Claims are caused by gross negligence or willful misconduct of the party seeking indemnification.

10.06 Approval of Construction Documents by OCII. Tenant will submit and OCII will approve or disapprove the Construction Documents referred to in this Lease within the times established in the Schedule of Performance, so long as each set of the applicable Construction Documents are complete and properly submitted within the time frames set forth in the Schedule of Performance. Failure by OCII either to approve or disapprove within the times established in the Schedule of Performance will entitle Tenant to a day for day extension of time for completion of any activities delayed as a direct result of OCII's failure to timely approve or disapprove the Construction Documents.

10.07 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 Lease, Tenant will submit new or corrected Construction Documents 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 will continue to apply until the Construction Documents have been approved by OCII; provided, however, that in any event Tenant must submit satisfactory Construction Documents (*i.e.*, approved by OCII) no later than the date specified therefor in the Schedule of Performance.

10.08 Issuance of Building Permits.

10.08(a) Tenant will have the sole responsibility for obtaining all necessary building permits and will make application for such permits directly to the City's Department of Building Inspection. Landlord understands and agrees that Tenant may use the Fast Track method of permit approval for construction of the Improvements. Tenant shall report permit status every thirty (30) days to OCII. Failure to timely file and to diligently pursue issuance of permits shall be a breach of this Lease.

10.08(b) The Tenant is advised that the Central Permit Bureau will forward all building permits to OCII for approval of compliance with Redevelopment Requirements. OCII's approval under this Section 10.08(b) is limited to its determination of compliance with Redevelopment Requirements and does not include Section 10.04(b) matters. OCII 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.

10.09 Performance and Payment Bonds. Except as provided elsewhere in this Agreement or the OCII Loan Agreement, before commencement of construction of the Improvements, and subject to the reasonable approval of OCII, Tenant will deliver to OCII performance and payment bonds, each for the full value of the cost of construction of the Improvements, which bonds will name OCII as co-obligee, or such other completion security which is acceptable to OCII. The payment and performance bonds may be obtained by Tenant's general contractor and name Tenant and OCII as co-obligees.

10.10 OCII Approval of Changes after Commencement of Construction. Tenant may not approve or permit any change to the Construction Documents approved by OCII without OCII's prior written consent, except as may be permitted under the OCII Loan Agreement.

10.11 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 will promptly begin and diligently prosecute to completion the construction of the Improvements upon the Site, and that such construction will be completed no later than the dates specified in the Schedule of Performance, subject to force majeure, unless such dates are extended by Landlord.

10.12 Force Majeure. For the purposes of any of the provisions of this Lease, and notwithstanding anything to the contrary, neither Landlord nor Tenant, as the case may be, will be considered in breach or default of its obligations, and there will not 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 limited to, acts of God, acts of the public enemy, terrorism, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, general scarcity of materials, unusually severe weather, or delays of subcontractors due to unusual scarcity of materials or unusually severe weather; it being the purposes and intent of this provision that the time or times for the satisfaction of conditions to this Lease including those with respect to construction of the Improvements, will be extended for the period of the enforced delay; provided, however, that the party seeking the benefit of the provisions of this paragraph must have notified the other party of the delay and its causes in writing within thirty (30) days after the beginning of any such enforced delay and requested an extension for the reasonably estimated period of the enforced delay; and, provided further, that this paragraph does apply to, and nothing contained in this paragraph will extend or will be construed to extend, the time of performance of any of Tenant's obligations to be performed before the commencement of construction, and the failure to timely perform pre-commencement of construction obligations will not 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 Lease.

10.13 Reports. Commencing when construction of the Improvements commences and continuing until completion of construction of the Improvements, Tenant will make a report in writing to OCII every month, in such detail as may reasonably be required by OCII, as to the actual progress of the Tenant with respect to the 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.

10.14 Access to Site. As of the Effective Date and until OCII issues a Certificate of Completion (as defined in Section 11.01 below), Tenant will permit access to the Site to Landlord whenever and to the extent necessary to carry out the purposes of the provisions of this Lease, at reasonable times and upon reasonable advance notice, and on an emergency basis without notice whenever Landlord believes that emergency access is required. After OCII's issuance of a Certificate of Completion, access to the Premises will be governed by ARTICLE 24, below.

10.15 Notice of Completion. Promptly upon completion of the construction of the Improvements in accordance with the provisions of this Lease, Tenant will file a Notice of Completion ("**NOC**") and record the NOC in the San Francisco Recorder's Office. Tenant will provide OCII with a copy of the recorded NOC.

10.16 Completion of Improvements by New Developer. In the event a Lender or a successor thereto forecloses, obtains a deed in lieu of foreclosure, or otherwise realizes upon the Premises and undertakes construction of the Improvements ("**New Developer**") (a) the New Developer will not be bound by the provisions of the Schedule of Performance with respect to any deadlines for the completion of the Improvements but will only be required to complete the Improvements with due diligence and in conformance with a new Schedule of Performance as agreed upon by the New Developer and OCII, (b) the New Developer will only be required to complete the Improvements in accordance with all applicable building codes and ordinances, and the OCII-approved Construction Documents with such changes that are mutually agreed upon by OCII and the New Developer under the following clause (c); and (c) OCII and New Developer will negotiate in good faith such reasonable amendments and reasonable modifications to the Schedule of Performance and ARTICLE 10 of this Lease as the parties mutually determine to be reasonably necessary based upon the financial and construction conditions then existing.

ARTICLE 11 COMPLETION OF IMPROVEMENTS

11.01 Certificate of Completion—Issuance. After completion of the construction of the Improvements in accordance with the provisions of this Lease, if requested by Tenant together with reasonable supporting documentation, including an architect's certification of completion, OCII will furnish Tenant with an appropriate instrument so certifying (the "**Certificate of Completion**"). OCII's Certificate of Completion will be a conclusive determination of satisfaction and termination of the agreements and covenants of this Lease regarding Tenant's obligation to construct the Improvements in accordance with approved Construction Documents. The Certificate of Completion will include the dates of the beginning and completion of construction of the Improvements, but the Certificate of Completion will not constitute evidence of compliance with or satisfaction of Tenant's obligations to any Lender, or any insurer of a mortgage, securing money loaned to finance the construction or any part thereof; provided further, that OCII's issuance of a Certificate of Completion does not relieve Tenant or any other person or entity from any and all OCII requirements, regulatory approvals, or conditions relating to construction or occupancy of the Improvements, which requirements or conditions must be complied with separately.

OCII may elect to issue Tenant a Certificate of Completion if no events of default by Tenant are then existing under this Lease and Tenant has completed the Improvements in accordance with this Lease, except for: (1) punch list items; (2) landscaping and other outside areas of the Improvements; and (3) other items that do not adversely affect or impair Tenant's use and occupancy of the Improvements for the purposes contemplated by this Lease and that do not preclude the City's issuance of a certificate of occupancy or other certificate or authorization of Tenant's use and occupancy of the Improvements. However, OCII will not be obligated to issue a Certificate of Completion in these circumstances unless and until Tenant has provided to OCII, at OCII's request, a bond, letter of credit, certificate of deposit, or other security reasonably acceptable to OCII in an amount equal to 110% of the estimated cost of completing the items described in clauses (1) through (3) above, as reasonably determined by OCII.

11.02 Certifications to be Recordable. The Certificate of Completion will be in a form that permits it to be recorded with the Recorder of the City.

11.03 Certification of Completion—Non-Issuance Reasons. If OCII refuses or fails to provide a Certificate of Completion in accordance with the provisions of Section 11.01, OCII will provide Tenant with a written statement indicating in adequate detail in what respects Tenant has failed to complete the construction of the Improvements in accordance with the provisions of this 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 a Certificate of Completion.

ARTICLE 12 CHANGES TO THE IMPROVEMENTS

12.01 Post-Completion Changes. Landlord has a particular interest in the Project and in the nature and extent of the permitted changes to the Improvements. Accordingly, it imposes the following control on the Site and on the Improvements: during the term of this Lease, neither Tenant nor any voluntary or involuntary successor or assign, may make or permit any Change (as defined in Section 12.02) in the Improvements, unless the express prior written consent for any Change has been requested in writing from Landlord and obtained, and, if obtained, upon such terms and conditions as Landlord may reasonably require. Landlord agrees not to unreasonably withhold or delay its response to such a request.

12.02 Definition of Change. "**Change**" as used in this Article 12 means any alteration, modification, addition, and/or substitution of or to the Leasehold Estate, the Improvements, and/or the density of development that differs materially from that which existed upon the completion of construction of the Improvements in accordance with this Lease, and includes, without limitation, the exterior design, colors and materials. For purposes of the foregoing, "exterior" includes the roof of the Improvements. "Change" does not include any repair, maintenance, cosmetic interior alterations (e.g., paint, carpet, installation of moveable equipment and trade fixtures, and hanging of wall art) in the normal course of operation of the Project, or as may be required in an emergency to protect the safety and well-being of the Project's Residential Occupants.

12.03 Enforcement. Subject to ARTICLE 19 hereof, Landlord will 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 or actual breach or violation of this Section.

ARTICLE 13 TITLE TO IMPROVEMENTS

Landlord acknowledges that fee title to the Improvements will be vested in Tenant for the Term of this Lease. It is the intent of the Parties that this Lease and the Memorandum of Ground Lease will create a constructive notice of severance of the Improvements from the land without the necessity of a deed from Lessor to Lessee. Landlord and Tenant hereby agree that fee title to the Improvements will remain vested in Tenant during the Term, subject to Section 14.01 below; provided, however, that, subject to the rights of any Lenders and as further consideration for Landlord entering into this Lease, at the expiration or earlier termination of this Lease, fee title to all the Improvements will vest in Landlord without further action of any party, without any obligation by Landlord to pay any compensation to Tenant, and without the necessity of a deed from Tenant to Landlord. Notwithstanding the foregoing, if requested by Landlord, upon expiration or sooner termination of this Lease, Tenant shall execute and deliver to Landlord an acknowledged and good and sufficient grant deed conveying to Landlord Tenant's fee interest in the Improvements. For so long as it is not in default of this Lease, Tenant shall have the exclusive right to deduct, claim retain and enjoy any and all rental income appreciation, gain, depreciation, amortization, and tax credits for federal and State tax purposes relating thereto, substitution therefor, fixtures therein and other property relating thereto.

ARTICLE 14 ASSIGNMENT, SUBLEASE, OR OTHER CONVEYANCE

14.01 Assignment, Sublease, or Other Conveyance by Tenant. Tenant may not sell, assign, convey, sublease, or transfer in any other mode or form all or any part of its interest in this Lease or in the Improvements or any portion thereof except as provided in Article 51 of this Lease.

14.02 (a) Assignment, Sublease, or Other Conveyance by Landlord. The Parties acknowledge and agree that OCII, effective upon the issuance of the Certificate of Completion or some later date as determined by OCII, intends to transfer all of its rights, interests and obligations under this Lease and the OCII Loan Agreements, together with conveyance of fee title to the Site, to MOHCD as the designated Housing Successor of the City and County of San Francisco under Board of Supervisors Resolution 11-12 (January 26, 2012), Redevelopment Dissolution Law, and OCII's approved Long-Term Property Management Plan (November 23, 2015). Tenant shall have no right to object and shall attorn to such assignee, and shall execute such instruments and take such actions as may be reasonably required to carry out OCII's intent. Upon assignment to MOHCD, all references herein to Landlord shall be deemed references to MOHCD. 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 Section 14.02. Upon assignment to MOHCD, all references herein to OCII shall be deemed references to MOHCD.

(b) As a condition of the assignment of the Lease and OCII Loan to the City, the City may require standard City contracting provisions under San Francisco Administrative Code or other Laws, as described in Attachment 7, be incorporated into the Lease and OCII Loan.

(c) The parties acknowledge that any sale, assignment, transfer, or conveyance or encumbrance of all or any part of Landlord's interest in the Site, the Improvements, or this Lease, is subject to this Lease. Landlord will require that any purchaser, assignee, or transferee expressly assume all of the obligations of Landlord under this Lease by a written instrument recordable in the Official Records of the City. This Lease will not be affected by any such sale, and Tenant will attorn to any such purchaser or assignee.

ARTICLE 15 TAXES

Subject to any exemption available therefor, Tenant agrees to pay, or cause to be paid, before delinquency to the proper authority, any and all valid taxes, assessments, and similar charges on the Site that become effective after the Effective Date of this Lease, including all taxes levied or assessed on the possession, use or occupancy, as distinguished from the ownership, of the Site. Tenant will not permit any such taxes, charges, or other assessments to become a defaulted lien on the Site, Leasehold Estate 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 provided that such proceedings are initiated on or before the date the disputed tax, assessment or similar charge would otherwise be due and payable, and Tenant may defer the payment thereof so long as the validity or amount thereof is contested by Tenant in good faith and without expense to Landlord. If Tenant contests a tax, assessment, or other similar charge, then Tenant will protect, defend, and indemnify Landlord against all Claims resulting therefrom, and if Tenant is unsuccessful in any such contest, Tenant will immediately pay, discharge, or cause to be paid or discharged, the tax, assessment, or other similar charge. Landlord will furnish such information as Tenant may reasonably request in connection with any such contest, provided that such information is in Landlord's possession or control or is otherwise available to the public. Landlord hereby consents to and will reasonably cooperate and assist with Tenant applying for and obtaining any applicable exemptions from taxes or assessments levied on the Site, the Improvements, or on Tenant's interest therein. Tenant will have no obligation under this Section before the Effective Date, including but not limited to any taxes, assessments, or other charges levied against the Site that are incurred before the Effective Date.

ARTICLE 16 UTILITIES

From and after the Effective Date, Tenant will 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 will pay all connection and use charges imposed in connection with such services. From and after the Effective Date, as between Landlord and Tenant, Tenant will be responsible for the installation and maintenance of all facilities required in connection with such utility services to the extent not installed or maintained by the City or the utility providing such service.

ARTICLE 17 MAINTENANCE AND OPERATION

17.01 Maintenance. Tenant, at all times during the Term, shall maintain or cause to be maintained the Premises in good condition and repair to the reasonable satisfaction of Landlord, 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. Landlord will not be obligated to make any repairs, replacements, or renewals of any kind, nature, or description whatsoever to the Premises or any buildings or improvements now or hereafter located thereon. Tenant hereby waives all rights to make repairs at Landlord's expense under Sections 1932(1), 1941 and 1942 of the California Civil Code or under any similar Law now or hereafter in effect.

17.02 Facilities Condition Report. Every five (5) years beginning on the fifth anniversary date of the issuance of the Certificate of Completion, Tenant will deliver to Landlord a facilities condition report for the Premises, prepared by a qualified team of construction professionals acceptable to Tenant and Landlord, describing at a minimum the condition and integrity of the Premises, the Improvements, the foundation and structural integrity of the building, and all utilities systems serving the building (the "**Facilities Condition Report**"). Tenant will provide with its submittal of the Facilities Condition Report, an anticipated schedule of and budget for, the repairs identified in the Facilities Condition Report. If Landlord reasonably believes the Facilities Condition Report does not adequately describe the condition and integrity of the listed items or the timing of required repairs, then Landlord will notify Tenant of the deficiency and Tenant will revise the Facilities Condition Report to address Landlord's concerns. If Tenant fails to provide a Facilities Condition Report to Landlord every five (5) years, then Landlord after giving thirty (30) days' notice to Tenant will have the right, but not the obligation, to cause a Facilities Condition Report to be prepared by a team of construction professionals of Landlord's choice, at Tenant's sole cost. Tenant will perform the repairs within the timeframe set forth in the Facilities Condition Report approved by Landlord.

17.03 Landlord's Right to Inspect. Without limiting ARTICLE 24 below, Landlord may, upon reasonable prior notice to Tenant, make periodic inspections of the Premises and other areas for which Tenant has obligations and may advise Tenant when maintenance or repair is required, but such right of inspection will not relieve Tenant of its independent responsibility to maintain the Premises, Improvements, and other areas as required by this Lease in a condition as good as, or better than, their condition at the completion of the Improvements, excepting ordinary wear and tear.

17.04 Landlord's Right to Repair. If Tenant fails to maintain or to promptly repair any damage to the Premises as required by this Lease, then subject to applicable notice and cure periods, Landlord may repair the damage at Tenant's sole cost and expense and Tenant will immediately reimburse Landlord for all costs of the maintenance or repair.

17.05 Operation. Following completion of the Improvements, Tenant will maintain and operate the Project consistent with the maintenance and operation of a safe, clean, well-maintained first-class residential project located in San Francisco. Tenant will be exclusively responsible, at no cost to Landlord except as otherwise contemplated herein and under the OCII Documents, for the management and operation of the Project. In connection with managing and operating the Project, Tenant will provide (or require others to provide), services as necessary and appropriate to the uses to which the Project are put, including (a) repair and maintenance of the Improvements; (b) utility and telecommunications (including internet/Wi-Fi) services to the extent, if any, customarily provided by equivalent projects located in San Francisco; (c) cleaning, janitorial, pest extermination, recycling, composting, and trash and garbage removal; (d) landscaping and groundskeeping; (e) security services with on-site personnel for the Project; and (f) sufficient lighting at night for pedestrians along pathways. Tenant will use commercially reasonable efforts to ensure that no portion of the Project remains unoccupied or unused without the prior written consent of Landlord, which consent may be withheld in Landlord's sole and absolute discretion.

ARTICLE 18 LIENS

Tenant will 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. If Tenant does not cause a lien to be released of record or bonded around within thirty (30) days following written notice from Landlord of the imposition of the lien, Landlord will have, in addition to all other remedies provided in this Lease and by Law, the right (but not the obligation) to cause the lien to be released by any means as it deems proper, including payment of the claim giving rise to such lien. All sums paid by Landlord for such purpose, and all reasonable expenses incurred by it in connection therewith, will be payable to Landlord by Tenant as additional Base Rent, and paid promptly on demand. Notwithstanding the foregoing, Tenant will have the right, upon posting of an adequate bond or other security, to contest any lien, and Landlord will not seek to satisfy or discharge the lien unless Tenant has failed so to do within ten (10) days after the final determination of the validity of the lien. If Tenant contests a lien, then Tenant will protect, defend, and indemnify Landlord against all Claims resulting therefrom. The provisions of this Section will not apply to any liens arising before the Effective Date that are not the result of Tenant's contractors, consultants, or activities.

ARTICLE 19 GENERAL REMEDIES

19.01 Application of Remedies. The provisions of this ARTICLE 19 govern the parties' remedies for breach of this Lease.

19.02 Breach by Landlord. If Tenant believes that Landlord has materially breached this Lease, Tenant must first notify Landlord in writing of the purported breach, giving Landlord one hundred twenty (120) days from receipt of such notice to cure the breach. If Landlord does not cure the breach within the 120-day period, or if the breach is not reasonably susceptible to cure within that 120-day period, begin to cure within one hundred twenty (120) days and diligently prosecute then cure to completion, then Tenant will have all of its rights at law or in equity by taking any or all of the following remedies: (i) terminating in writing this entire Lease with the written consent of each Lender; (ii) prosecuting an action for damages; (iii) seeking specific performance of this Lease; or (iv) any other remedy available at law or equity.

19.03 Breach by Tenant.

19.03(a) Default by Tenant.

Subject to the notice and cure rights under Sections 19.03(b) and 19.04, the following events each constitute a basis for Landlord to take action against Tenant:

(i) Tenant fails to comply with the Permitted Uses and Occupancy Restrictions set forth in Section 9.01;

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

(iii) From and after the Effective Date, Tenant, or its successor in interest fails to pay real estate taxes or assessments in accordance with Article 15, or places or allows to be placed on the Site, Leasehold Estate or Improvements any encumbrance or lien unauthorized by this Lease, or suffers any levy or attachment, or any material supplier's or mechanic's lien or the attachment of any other unauthorized encumbrance or lien, and the taxes or assessments have not been paid, or the encumbrance or lien removed or discharged within the time period provided in ARTICLE 18; provided, however, that Tenant has the right to contest any tax or assessment or encumbrance or lien as provided in ARTICLE 15 and ARTICLE 18;

(iv) Tenant is adjudicated bankrupt or insolvent or makes a transfer to defraud its creditors, or makes an assignment for the benefit of creditors, or brings or has 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 proceedings within sixty (60) days thereafter; or, a receiver is appointed for a substantial part of the assets of Tenant and such receiver is not discharged within sixty (60) days;

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

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

(vii) Failure to commence any maintenance or repair obligation concerning the Premises.

19.03(b) Notification and Landlord Remedies.

Upon the happening of any of the events described in Section 19.03(a) above, and before exercising any remedies, Landlord will notify Tenant, the Permitted Limited Partners, and each Lender in writing of Tenant’s purported breach, failure, or act in accordance with the notice provisions of ARTICLE 39, giving Tenant, any Lender, and Permitted Limited Partner sixty (60) days from the giving of the notice to cure such breach, failure, or act, with the exception of breach of Section 19.03(a)vii, above, which shall be subject to a cure period of ten (10) days. If Tenant, Lender, or Permitted Limited Partner does not cure or, if the breach, failure, or act is not reasonably susceptible to cure within the applicable cure period, begin to cure within the applicable cure period and thereafter diligently prosecute such cure to completion, then, subject to the rights of any Lender and Permitted Limited Partner and subject to Section 19.04 and ARTICLE 26, Landlord will have all of its rights at law or in equity, including, but not limited to:

(i) the remedy described in Section 1951.4 of the California Civil Code (a landlord may continue the lease in effect after a tenant's breach and abandonment and recover rent as it becomes due, if the tenant has the right to sublet and assign subject only to reasonable limitations) under which it may continue this Lease in full force and effect and the Landlord may enforce all of its rights and remedies under this Lease, including the right to collect rent when due. During the period Tenant is in default, Landlord may enter the Premises without terminating this Lease and relet them, or any part of them, to third parties for Tenant's account. Tenant will be liable immediately to Landlord for all reasonable costs that Landlord incurs in reletting the Premises, including, but not limited to, broker's commissions, expenses of remodeling the Premises required by the reletting and like costs. Reletting can be for a period shorter or longer than the remaining Term, at such rents and on such other terms and conditions as Landlord deems advisable, subject to any restrictions applicable to the Premises. Tenant shall owe Landlord the rent due under this Lease on the dates the rent is due, less the rent Landlord receives from any reletting. If Landlord elects to relet, then rentals received by Landlord from the reletting will be applied in the following order: (1) to reasonable attorneys' and other fees incurred by Landlord as a result of a default and costs if suit is filed by Landlord to enforce its remedies; (2) to the payment of any costs of maintaining, preserving, altering, repairing, and preparing the Premises for reletting, the other costs of reletting, including but not limited to brokers' commissions, reasonable attorneys' fees and expenses of removal of Tenant's Personal Property and Changes; (3) to the payment of rent due and unpaid; (4) the balance, if any, will be paid to Tenant upon (but not before) expiration of the Term. If that portion of the rentals received from any reletting during any month that is applied to the payment of rent, is less than the rent payable during the month, then Tenant shall owe the deficiency to Landlord. The deficiency will be calculated and paid monthly. No act by Landlord allowed by this Section will terminate this Lease unless Landlord notifies Tenant that Landlord elects to terminate this Lease. After Tenant's default and for as long as Landlord does not terminate Tenant's right to possession of the Premises by written notice, if Tenant obtains Landlord's consent Tenant will have the right to assign or sublet its interest in this Lease, but Tenant shall not be released from liability and the assignment or subletting will not serve to cure the default.

(ii) Landlord may terminate Tenant's right to possession of the Leasehold Estate at any time. No act by Landlord other than giving notice of termination to Tenant will terminate this Lease. Acts of maintenance, efforts to relet the Premises, or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this Lease will not constitute a termination of Tenant's right to possession. If Landlord elects to terminate this Lease, then Landlord has the rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including the right to terminate Tenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Annual Rent and any additional charges for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Tenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. Landlord's efforts to mitigate the damages caused by Tenant's breach of this Lease will not waive Landlord's rights to recover damages upon termination.

(iii) The right to have a receiver appointed for Tenant upon application by Landlord to take possession of the Premises and to apply any rental collected from the Premises and to exercise all other rights and remedies granted to Landlord under this Lease;

(iv) seeking specific performance of this Lease; or

(v) in the case of default under <u>Section 19.03(a)(i)</u>, increasing the Base Rent to the full amount of the Annual Rent.

Notwithstanding the foregoing, during the 15-year tax credit "compliance period" (as defined in Section 42 of the Internal Revenue Code, as amended) for the Project, Landlord may only terminate this Lease for a default by Tenant under <u>Section 19.03(a)(vi)</u> above.

19.04 Rights of Permitted Limited Partner.

19.04(a) If a Permitted Limited Partner cannot cure a default due to an automatic stay in Bankruptcy court because the general partner of the Tenant is in bankruptcy, any cure period will be tolled during the pendency of such automatic stay.

19.04(b) Landlord will not exercise its remedy to terminate this Lease if a Permitted Limited Partner is attempting to cure the default and the cure requires removal of the managing general partner, so long as the Permitted Limited Partner is proceeding diligently to remove the managing general partner in order to effect a cure of the default.

19.04(c) Unless otherwise provided for in this Lease, any limited partner that is not the Permitted Limited Partner identified in ARTICLE 39 wishing to become a Permitted Limited Partner must provide five (5) days written notice to Landlord in accordance with the notice provisions of this Lease, setting forth a notice address and providing a copy of such notice to the Tenant and all of the Tenant's partners. The limited partner will become a Permitted Limited Partner upon the expiration of the five-day period. A limited partner will not be afforded the protections of this Section with respect to any default occurring before the limited partner becomes a Permitted Limited Partner.

19.05 Landlord's Right to Cure Tenant's Default. If Tenant defaults in the performance of any of its obligations under this Lease, Landlord may at any time thereafter after notice and expiration of the applicable cure period (except in the event of an emergency as determined by Landlord, in which case the may act when Landlord determines necessary), remedy the default for Tenant's account and at Tenant's expense. Tenant will pay to Landlord as additional Base Rent, promptly upon demand, all sums expended by Landlord, or other costs, damages, expenses, or liabilities incurred by Landlord, including reasonable attorneys' fees, in remedying or attempting to remedy the default. Tenant's obligations under this Section will survive the termination of this Lease. Nothing in this Section implies any duty of Landlord to do any act that Tenant is obligated to perform under any provision of this Lease, and Landlord's cure or attempted cure of Tenant's default will not constitute a waiver of Tenant's default or any rights or remedies of Landlord on account of the default.

19.06 Waiver of Redemption. Tenant hereby waives, for itself and all persons claiming by and under Tenant, redemption or relief from forfeiture under California Code of Civil Procedure Sections 1174 and 1179, or under any other pertinent present or future Law, in the event Tenant is evicted or Landlord takes possession of the Premises by reason of any default of Tenant hereunder.

19.07 Remedies Not Exclusive. The remedies set forth in Section 19.03(b) are not exclusive; they are cumulative and in addition to any and all other rights or remedies of Landlord now or later allowed by Law. Tenant's obligations hereunder will survive any termination of this Lease.

ARTICLE 20 DAMAGE AND DESTRUCTION

20.01 Insured Casualty. If the Improvements or any part thereof are damaged or destroyed by any cause covered by any policy of insurance required to be maintained by Tenant under this Lease, Tenant will promptly commence and diligently complete the restoration of the Improvements as nearly as possible to the condition thereof before such damage or destruction, or in accordance with plans approved by Landlord; provided, however, that if more than fifty percent (50%) of the Improvements are destroyed or are damaged by fire or other casualty and if the insurance proceeds do not provide at least ninety percent (90%) of the funds necessary to complete the restoration, then Tenant, with the written consent of each Lender and Permitted Limited Partner, may terminate this 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. If Tenant is required or elects to restore the Improvements, then all proceeds of any policy of insurance required to be maintained by Tenant under this Lease will, subject to any applicable rights of Lenders and the Permitted Limited Partner, be used by Tenant for that purpose and Tenant will make up from its own funds or obtain additional financing as reasonably approved by Landlord any deficiency between the amount of insurance proceeds available for the work of restoration and the actual cost. If Tenant elects to terminate this Lease as provided under this Section 20.01, or elects not to restore the Improvements, then the insurance proceeds will be divided in the order set forth in Section 20.03.

20.02 Uninsured Casualty. If (i) more than fifty percent (50%) of the Improvements are damaged or destroyed and ten percent (10%) or more of the cost to complete the restoration is not covered by insurance required to be carried under this Lease; and (ii) in the reasonable opinion of Tenant, the undamaged portion of the Improvements cannot be completed or operated on an economically feasible basis; and (iii) there is not available to Tenant any feasible source of third party financing for restoration reasonably acceptable to Tenant; then Tenant may, with the written consent of each Lender and the Permitted Limited Partner, other than Landlord, terminate this Lease upon ninety (90) days written notice to Landlord. If it appears that the provisions of this Section 20.02 may apply to a particular event of damage or destruction, Tenant will notify Landlord promptly and not consent to any settlement or adjustment of an insurance award without Landlord's written approval, which approval will not be unreasonably withheld or delayed. If Tenant terminates this Lease under this Section 20.02, then all insurance proceeds and damages payable by reason of the casualty will be divided among Landlord, Tenant, and Lenders in accordance with the provisions of Section 20.03. If Tenant does not have the right, or elects not to exercise the right, to terminate this Lease as a result of an uninsured or underinsured casualty, then Tenant will promptly commence and diligently complete the restoration of the Improvements as nearly as possible to their condition before the damage or destruction in accordance with the provisions of Section 20.01 and will, subject to any applicable rights of Lenders, be entitled to all available insurance proceeds to do so.

20.03 Distribution of the Insurance Proceeds. If Tenant elects to terminate and surrender as provided in either Sections 20.01 or 20.02, then the priority and manner for distribution of the proceeds of any insurance policy required to be maintained by Tenant hereunder will be as follows:

20.03(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 and applicable Law;

20.03(b) Second, at Landlord's election, to pay the actual cost of removing all debris from the Site and adjacent and underlying property, and for the actual cost of any work or service required by any Law, 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;

20.03(c) Third, to compensate Landlord for any diminution in the value (as of the date of the damage or destruction) of the Site caused by or arising from the damage or destruction; and

20.03(d) The remainder to Tenant.

20.04 Clean-up of Housing Site. If Tenant terminates this Lease under the provisions of Sections 20.01 or 20.02, Tenant must, at Landlord's election , clean up and remove all debris from the Site and adjacent and underlying property and leave the Site in a clean and safe condition and in compliance with all Laws upon surrender, as described in in Section 20.03(b). If the proceeds of any insurance policy are insufficient to pay the clean-up and other costs described in Section 20.03(b), then Tenant must pay the portion of the costs not covered by the insurance proceeds.

20.05 Waiver. Tenant and Landlord intend that this Lease fully govern all of their rights and obligations in the event of any damage or destruction of the Premises. Accordingly, Landlord and Tenant each hereby waive the provisions of Sections 1932(2), 1933(4), 1941 and 1942 of the California Civil Code, as such sections may from time to time be amended, replaced, or restated.

ARTICLE 21 DAMAGE TO PERSON OR PROPERTY; HAZARDOUS SUBSTANCES; INDEMNIFICATION

21.01 Damage to Person or Property—General Indemnification. Landlord will 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 Premises, unless arising from the gross negligence or willful misconduct of Landlord or any of its commissioners, officers, agents, or employees. Tenant will defend, hold harmless, and indemnify Landlord including, but not limited to, its boards, commissions, commissioners, departments, agencies, and other subdivisions, officers, agents, and employees (each, an "**Indemnified Party**" and collectively the "**Indemnified Parties**"), of and from all claims, loss, damage, injury, actions, causes of action, and liability of every kind, nature and description (collectively, "**Claims**") incurred in connection with or directly or indirectly arising from the Site, this Lease, Tenant's tenancy, its or their use of the Site, including adjoining sidewalks and streets, and any of its or their operations or activities thereon or connected thereto; all regardless of the active or passive negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on, the Indemnified Parties, except to the extent that the indemnity is void or otherwise unenforceable under applicable Law in effect on or validly retroactive to the date of this Lease and further excepting only such Claims that are caused exclusively by the willful misconduct or gross negligence of the Indemnified Parties. The foregoing indemnity will include, without limitation, reasonable fees of attorneys, consultants, and experts and related costs and Landlord's costs of investigating any Claim. Tenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend Landlord from any claim that actually or potentially falls within any indemnity provision set forth in this Lease even if such allegation is or may be groundless, fraudulent, or false, which obligation arises at the time such claim is tendered to Tenant by Landlord and continues at all times thereafter. Tenant's obligations under this Article will survive the termination or expiration of this Lease. Tenant's obligations under this Article will survive the termination or expiration of this Lease.

21.02 Hazardous Substances—Indemnification.

21.02(a) Tenant will indemnify, defend, and hold the Indemnified Parties harmless from and against any and all Claims of any nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel and engineering consultants) incurred by or asserted against any Indemnified Party in connection with, arising out of, in response to, or in any manner relating to violation of any Environmental Law, or any Release, threatened Release, and any condition of pollution, contamination or Hazardous Substance-related nuisance on, under or from the Site caused by Tenant, its employees, agents, affiliates, or contractors; provided, however, that this Section 21.02(a) shall not be deemed or construed to, and shall not impose any obligation on Tenant to indemnify and save harmless the Indemnified Parties from any Claim arising from or in any way related to or connected with any willful misconduct or gross negligence by any Indemnified Party occurring after the Effective Date. Tenant will have no liability for any Claims relating to a violation of any Environmental Law, Release, or threatened Release, or arising out of any condition or action of pollution, contamination or Hazardous Substance-related nuisance on, under or from the Site occurring prior to the Effective Date except for those contributed to or exacerbated by Tenant.

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

(i) "**Hazardous Substance**" has the meaning set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended as of the date of this Lease, 42 U.S.C. 9601(14), and in addition includes, without limitation, petroleum (including crude oil or any fraction thereof) and petroleum products, asbestos, asbestos-containing materials, polychlorinated biphenyls ("**PCB**s"), PCB-containing materials, all hazardous substances identified in the California Health & Safety Code 25316 and 25281(d), all chemicals listed under 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 does not include substances that occur naturally on the Site or commercially reasonable amounts of hazardous materials used in the ordinary course of construction and operation of a mixed-use development, provided they are used and stored in accordance with all applicable Laws.

(ii) "**Environmental Law**" means all Laws 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 Lease.

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

21.03 Exculpation and Waiver. Tenant, as a material part of the consideration to be rendered to Landlord, hereby waives any and all Claims against the Indemnified Parties related to this Lease including their rights or obligations as landlord under this Lease, including without limitation all Claims arising from the joint or concurrent, active or passive, negligence of the Indemnified Parties, but excluding any Claims caused solely by the Indemnified Parties' willful misconduct (including breach of this Lease) or active gross negligence. The Indemnified Parties will not be responsible for or liable to Tenant, and Tenant hereby assumes the risk of, and waives and releases the Indemnified Parties from all Claims against the Indemnified Parties related to this Lease including their rights or obligations as landlord under this Lease for, any injury, loss, or damage to any person or property in or about the Premises by or from any cause whatsoever occurring on or after the Effective Date including, without limitation, (a) any act or omission of persons occupying adjoining premises or any part of the Premises adjacent to or connected with the Premises, (b) theft, (c) explosion, fire, steam, oil, electricity, water, gas or rain, pollution or contamination, (d) stopped, leaking, or defective building systems, (d) construction or Site defects, (f) damages to goods, wares, goodwill, merchandise, equipment, or business opportunities, (g) Claims by persons in, upon or about the Premises or any other Landlord property for any cause arising at any time, (h) alleged facts or circumstances of the process or negotiations leading to this Lease before the Effective Date (other than with respect to any Environmental Law or Release); and (i) any other acts, omissions, or causes.

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

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS 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.
>
> Tenant initials ___

Tenant specifically acknowledges and confirms the validity of the release made above and the fact that Tenant was represented by counsel who explained the consequences of the release at the time this Lease was made, or that Tenant had the opportunity to consult with counsel, but declined to do so.

21.05 Insurance. The Indemnification requirements under this Lease, or any other agreement between OCII and Tenant, will in no way be limited by any insurance requirements under any such agreements.

21.06 Survival. The provisions of ARTICLE 21 will survive the expiration or earlier termination of this Lease.

ARTICLE 22 INSURANCE

22.01 Insurance. Subject to approval by OCII's Risk Manager of the insurers and policy forms, Tenant must obtain and maintain, or cause to be maintained, the insurance and bonds as set forth in Attachment 8 throughout the Term of this Lease at no expense to OCII.

ARTICLE 23 COMPLIANCE WITH SITE-RELATED AND LEGAL REQUIREMENTS

23.01 Compliance with Legal Requirements. From and after the Effective Date, Tenant will at its cost and expense, promptly comply with all applicable Laws now in force or that may later be in force, including, without limitation, the requirements of the fire department or other similar body now or later constituted and with any direction or occupancy certificate issued under any Law as any of them may relate to or affect the condition, use, or occupancy of the Site. If Tenant contests any of the foregoing, Tenant will not be obligated to comply therewith to the extent that the application of the contested Law is stayed by the operation of law or administrative or judicial order and Tenant indemnifies, defends, and holds harmless the Indemnified Parties against all Claims resulting from noncompliance.

23.02 Regulatory Approvals. Tenant understands and agrees that Landlord is entering into this Lease in its capacity as a landowner with a proprietary interest in the Site and not as a regulatory agency with certain police powers. Tenant understands and agrees that neither entry by Landlord into this Lease nor any approvals given by Landlord under this Lease will be deemed to imply that Tenant has thereby obtained any required approvals from City departments, boards, or commissions that have jurisdiction over the Premises. By entering into this Lease, Landlord is in no way modifying or limiting the obligations of Tenant to develop the Project in accordance with all Laws and as provided in this Lease.

Tenant understands that the construction of the Improvements on the Leasehold Estate and development of the Project will require approval, authorization, or permit by governmental agencies with jurisdiction. Tenant must use good faith efforts to obtain and will be solely responsible for obtaining any approvals required for the Project in the manner set forth in this Section. Throughout the permit process for any regulatory approvals, Tenant will consult and coordinate with Landlord in Tenant's efforts to obtain permits. Landlord will cooperate reasonably with Tenant in its efforts to obtain permits; provided, however, Tenant may not agree to the imposition of conditions or restrictions in connection with its efforts to obtain a permit from any other regulatory agency if Landlord is required to be a co-permittee under the permit or the conditions or restrictions could create any financial or other material obligations on the part of Landlord whether on or off of the Premises, unless in each instance Landlord has approved the conditions previously in writing and in Landlord's reasonable discretion. No approval by Landlord will limit Tenant's obligation to pay all the costs of complying with conditions under this Section. Tenant must bear all costs associated with applying for and obtaining any necessary regulatory approval, as well as any fines, penalties or corrective actions imposed as a result of Tenant's failure to comply with the terms and conditions of any regulatory approval.

With Landlord's prior written consent, Tenant will have the right to appeal or contest any condition in any manner permitted by Law imposed upon any regulatory approval. In addition to any other indemnification provisions of this Lease, Tenant must indemnify, defend, and hold harmless Landlord and its commissioners, officers, agents or employees from and against any and all Claims that may arise in connection with Tenant's failure to obtain or comply with the terms and conditions of any regulatory approval or with the appeal or contest of any conditions of any regulatory approval, except to the extent damage arises out of the active gross negligence or willful misconduct of Landlord or its agents.

ARTICLE 24 ENTRY

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

24.01(a) to determine whether the Premises is in good condition and to inspect the Premises (including soil borings or other Hazardous Substance investigations);

24.01(b) to determine whether Tenant is in compliance with its Lease obligations and to cure or attempt to cure any Tenant default;

24.01(c) to serve, post, or keep posted any notices required or allowed under any of the provisions of this Lease;

24.01(d) to do any maintenance or repairs to the Premises that Landlord has the right or the obligation, if any, to perform hereunder; and

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

24.02 In the event of any emergency, as reasonably determined by Landlord, at its sole option and without notice, Landlord may enter the Premises and alter or remove any Improvements or Tenant's personal property on or about the Premises as reasonably necessary, given the nature of the emergency. Landlord will have the right to use any and all means Landlord considers appropriate to gain access to any portion of the Premises in an emergency, in which case, Landlord will not be responsible for any damage or injury to any property, or for the replacement of any property, and no emergency entry may be deemed to be a forcible or unlawful entry onto or a detainer of the Premises, or an eviction, actual or constructive, of Tenant from the Premises or any portion thereof.

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

24.04 Tenant will not be entitled to any abatement in Annual Rent if Landlord exercises any rights reserved in this Section, subject to Section 24.03 above.

24.05 Landlord will use its reasonable good faith efforts to conduct any activities on the Premises allowed under this Section in a manner that, to the extent practicable, will minimize any disruption to Tenant's use of the Premises as permitted by this Lease.

ARTICLE 25 MORTGAGE FINANCING

25.01 No Encumbrances Except for Development Purposes. Notwithstanding any other provision of this Lease and subject to the prior written consent of Landlord in the form attached hereto as Attachment 3, which consent will not be unreasonably withheld, conditioned, or delayed, Leasehold Mortgages (and encumbrances related to such Leasehold Mortgages or required by Project lenders or equity investors, 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 financing the acquisition of the Project; refinancing of financing used to acquire or rehabilitate the Project; design, construction, renovation, or reconstruction of the Improvements; and any other expenditures reasonably necessary and appropriate to acquire, own, develop, construct, renovate, or reconstruct the Improvements under this 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 Lease. OCII, acting solely in its capacity as landlord under this Lease, hereby acknowledges and accepts Wells Fargo Bank, National Association (or the Fiscal Agent acting on its behalf pursuant to the tax exempt loan to Tenant) as a Lender, and consents to the Leasehold Mortgage associated with Lender's construction loan to Tenant for the Project.

25.02 Holder Not Obligated to Construct. The holder of any mortgage, deed of trust, or other security interest authorized by Section 25.01 ("**Holder**" or "**Lender**"), including the successors or assigns of the Holder, is not obligated to complete any construction of the Improvements or to guarantee such completion; and no covenant or any other provision of this Lease may be construed to obligate the Holder. However, if the Holder undertakes to complete or guarantee the completion of the construction of the Improvements, except as provided in Section 26.06(b), nothing in this Lease will be deemed or construed to permit or authorize the Holder or its successors or assigns to devote the Premises or any portion thereof to any uses, or to construct any Improvements on the Site, other than those uses or Improvements authorized under Section 9.01 and any reasonable modifications in plans proposed by the Holder or its successors in interest proposed for the viability of the Project approved by Landlord in its reasonable discretion under Section 10.16. Except as provided in Section 26.06(b), to the extent any Holder or its successors in interest wish to change such uses or construct different improvements, Holder or its successors in interest must obtain the advance written consent of Landlord.

25.03 Failure of Holder to Complete Construction. In any case where six (6) months after assumption of obligations under Section 25.02 above, a Lender, having first exercised its option to complete the construction, has not proceeded diligently with completion of the construction, Landlord will have all the rights against the Holder it would otherwise have against Tenant under this Lease for events or failures occurring after such assumption; subject to any extensions of time granted under Section 10.16 of this Lease.

25.04 Default by Tenant and Landlord's Rights.

25.04(a) Right of Landlord to Cure a Default or Breach by Tenant under a Leasehold Mortgage. In the event of a default or breach by Tenant under any Leasehold Mortgage, and Tenant's failure to timely commence or diligently prosecute cure of such default or breach, Landlord may, at its option, cure such breach or default for the period of one hundred ten (110) days after the date that the Lender files a notice of default. In such event, Landlord will be entitled to reimbursement from Tenant of all costs and expenses reasonably incurred by Landlord in curing the default or breach. Landlord will also be entitled to a lien upon the Leasehold Estate or any portion thereof to the extent such costs and disbursements are not reimbursed by Tenant. Any such lien will be subject to the lien of any then-existing Leasehold Mortgage authorized by this 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, Landlord will also have the right to assign Tenant's interest in the Lease to another entity, subject to all Lenders' and Permitted Limited Partner's written consent, and which consent may be conditioned, among other things, upon the assumption by such other entity of all obligations of the Tenant under the Leasehold Mortgage. 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, Landlord will also have the right to assign Tenant's interest in the Lease to another entity, subject to all Lenders' and Permitted Limited Partner's written consent in the exercise of their sole and absolute discretion, and which consent 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 Landlord. Tenant will use its best efforts to require Lender to give Landlord prompt written notice of any default or breach of the Leasehold Mortgage and each Leasehold Mortgage will provide for that notice to Landlord and contain Landlord'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 will bear all of the costs and expenses in connection with (a) the preparation and securing of any Leasehold Mortgage, (b) the delivery of any instruments and documents and their filing and recording, if required, and (c) all taxes and charges payable in connection with any Leasehold Mortgage.

ARTICLE 26 PROTECTION OF LENDER

26.01 Notification to Landlord. 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, Tenant will cause each Lender to give written notice to Landlord of the Lender's address and of the existence and nature of its Leasehold Mortgage. Execution of Attachment 3 will constitute Landlord’s acknowledgement of Lender’s having given such notice as is required to obtain the rights and protections of a Lender under this Lease. Landlord hereby acknowledges that Wells Fargo Bank, National Association (or the Fiscal Agent acting on its behalf pursuant to the tax exempt loan to Tenant) is the First Mortgage Lender and is deemed to have given such written notice as First Mortgage Lender.

26.02 Lender's Rights to Prevent Termination. Each Lender has the right, but not the obligation, at any time before termination of this Lease and without payment of any penalty other than the interest on unpaid rent, to pay all of the rents due under this Lease, 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 or necessary and proper to be done in the performance and observance of the agreements, covenants and conditions of this Lease to prevent a termination of this 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. If any event of default under this Lease occurs and is continuing, and is not cured within the applicable cure period, Landlord will not terminate this Lease or exercise any other remedy unless it first gives written notice of the event of default to Lender; and

26.03(a) If the event of default is a failure to pay a monetary obligation of Tenant (not including any of Tenant’s indemnification obligations under this Lease (the “Indemnification Obligations”)), Lender fails to cure such default within sixty (60) days from the date of written notice from Landlord to Lender to cure the default; or

26.03(b) If the event of default is not a failure to pay a monetary obligation of Tenant, Lender fails, within sixty (60) days of receipt of the written notice, to either (a) remedy such default; or (b) obtain title to Tenant's interest in the Site in lieu of foreclosure; or (c) 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 will be remedied or deemed remedied in accordance with Section 26.04 below.

26.03(c) All rights of Landlord to terminate this Lease as the result of the occurrence of any uncured event of default is subject to, and conditioned upon, Landlord having first given Lender written notice of the event of default and Lender having failed to remedy such default or acquire Tenant's Leasehold Estate 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 19.04(b) or 26.06(b).

26.04 Default That Cannot be Remedied by Lender. Any event of default under this Lease that in the nature thereof cannot be remedied by Lender will be deemed to be remedied as it pertains to Lender or any Subsequent Owner if (a) within sixty (60) days after receiving notice from Landlord setting forth the nature of such event of default, Lender has acquired Tenant's Leasehold Estate or has commenced foreclosure or other appropriate proceedings in the nature of foreclosure, (b) Lender is diligently prosecuting any such proceedings to completion, (c) Lender has fully cured any event of default arising from failure to pay or perform any monetary obligation (other than the Indemnification Obligations) in accordance with Section 26.03, and (d) after gaining possession of the Improvements, Lender diligently proceeds to perform all other obligations of Tenant as and when due in accordance with the terms of this Lease.

26.05 Court Action Preventing Foreclosure. If Lender is prohibited by any process or injunction issued by any court or because 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 of foreclosure, the times specified in Sections 26.03 and 26.04 above for commencing or prosecuting such foreclosure or other proceedings will be extended for the period of such prohibition. If this Lease is terminated for any reason or rejected by Tenant in bankruptcy, then Landlord agrees to enter into a new ground lease with the Lender on the same terms set forth in this Lease, and said new lease shall be afforded a priority equal to the recording priority of this Lease. For purpose of this Article, if there is more than one Lender, Landlord will offer the new lease to each Lender in the order of priority until accepted.

26.06 Lender's Rights to Record, Foreclose, and Assign. Landlord hereby agrees with respect to any Leasehold Mortgage, that:

26.06(a) the Lender may cause its Leasehold Mortgage to be recorded and enforced, and upon foreclosure, sell and assign the Leasehold Estate to an assignee from whom it may accept a purchase price; subject, however, to Lender's first securing written approval from Landlord, which approval will not be unreasonably withheld, and, the Subsequent Owner must be controlled by a California nonprofit public benefit corporation exempt from tax under Section 501(c)(3) of the Internal Revenue Code so that the Premises receive an exemption from state property taxes as provided under Section 214 of the California Revenue and Taxation Code (to the extent such exemption is then generally available. Furthermore, Lender may acquire title to the Leasehold Estate in any lawful way, and if the Lender becomes the assignee, then Lender may sell and assign said Leasehold Estate subject to Landlord approval (which may not be unreasonably withheld) and to Landlord's rights under Section 25.04. The foreclosure of the Leasehold Mortgage shall not constitute an Event of Default hereunder.

26.06(b) each Subsequent Owner must take said Leasehold Estate subject to all of the provisions of this Lease, and must, so long as it is the owner of the Leasehold

Estate, except as provided elsewhere in this Lease, assume all of the obligations of Tenant under this Lease;

26.06(c) Landlord will mail or deliver to any Lender that has an outstanding Leasehold Mortgage a duplicate copy of all notices that Landlord may give to Tenant under this Lease; and

26.06(d) any Permitted Limited Partners of Tenant will have the same rights as any Lender under Sections 26.02, 26.03, and 26.06(c), and any reference to a Lender in those sections will be deemed to include the Permitted Limited Partners; provided, however, that the rights of the Permitted Limited Partners are subordinate to the rights of any Lender.

26.07 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 at the time of foreclosure will be forgiven by Landlord, and will not be an obligation of the Lender, its assignee, or the Subsequent Owner; and (ii) for so long as the Project is operated in accordance with the use and occupancy restrictions of ARTICLE 9, Annual Rent shall be set as follows:

26.07(a) The obligations of any Subsequent Owner other than a Lender (or its affiliate) for payment of Annual Rent shall be as set forth in ARTICLE 4;

26.07(b) 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:

(i) 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 in ARTICLE 4;

(ii) If, within 180 days after foreclosure of a Leasehold Mortgage or assignment of the Leasehold Estate in lieu of such foreclosure: (a) 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 the Leasehold Estate 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, (b) Landlord has approved such entity (which approval shall not be unreasonably withheld, conditioned or delayed), 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 in Article 4 for an additional sixty (60) days after the end of the one-hundred eighty (180) day period set forth in 26.07(ii)(B)(1) above;

(iii) From and after the date that Lender (or its affiliate) no longer qualifies under paragraph (1) or paragraph (2) of this Section 26.07(ii)(B), Base Rent shall accrue and shall be payable by Lender (or such affiliate) in arrears on each January 31st in accordance with Section 4.02; 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 the termination of this Ground Lease.

26.08 Permitted Uses After Lender Foreclosure. Notwithstanding the above, in the event of a foreclosure and transfer to a Subsequent Owner, the Premises must be operated in accordance with the Declaration of Restrictions and in accordance with those uses specified in the schematic designs and final construction documents approved by OCII and the building permit, with all addenda, as approved by the City's Department of Building Inspection.

26.09 Preservation of Leasehold Benefits. Until such time as a Lender notifies Landlord in writing that the obligations of the Tenant under its loan documents have been satisfied, Landlord agrees:

26.09(a) That subject to Section 19.03(b) Landlord will not voluntarily cancel or surrender this Lease, or accept a voluntary cancellation or surrender of this Lease by Tenant, or amend this Lease to materially increase the obligations of the Tenant or the rights of Landlord under this Lease or alter the rights and protections of Lender, without the prior written consent of the Lender (which may not be unreasonably withheld or delayed);

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

26.09(c) That, if a Lender makes written request to Landlord for a new ground lease within fifteen (15) days after Lender receives written notice of termination of this Lease, then Landlord will enter a new ground lease with the Lender commencing on the date of termination of this Lease and ending on the normal expiration date of this Lease, on substantially the same terms and conditions as this 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; so long as the Lender cures all unpaid monetary defaults under this Lease (other than the Indemnification Obligations), through the date of such termination;

26.09(d) That Landlord will 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 the proceedings as an interested party.

26.10 No Merger. The Leasehold Estate will not merge with the fee interest in the Site, notwithstanding ownership of the leasehold and the fee by the same person, without the prior written consent of each Lender.

26.11 Landlord Bankruptcy.

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

26.11(b) Landlord acknowledges that (i) the Tenant seeks to construct improvements on the Leasehold Estate 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 Estate. Therefore, Landlord waives its right, under section 363(f) of the Bankruptcy Code, to sell Landlord's fee interest in the Site free and clear of the Leasehold Estate.

26.11(c) If a bankruptcy proceeding is filed by or on behalf of Landlord, Landlord agrees as follows:

(i) the Tenant will be presumed to have objected to any attempt by Landlord to sell the fee interest free and clear of the Leasehold Estate;

(ii) if Tenant does not so object, each Lender will 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 will not be deemed to have received adequate protection under section 363(e) of the Bankruptcy Code, unless it has received and paid to each Lender the outstanding balance under its respective loan.

26.11(d) Landlord 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 Estate.

26.12 Encumbrance of Landlord's Interest. Landlord shall not voluntary encumber Landlord's interest in the Site with a foreclosable mortgage or similar interest without the prior written consent of Tenant, Permitted Limited Partners and all Lenders.

ARTICLE 27 CONDEMNATION AND TAKINGS

27.01 Parties' Rights and Obligations to be Governed by Agreement. If, during the term of this Lease, there is any condemnation of all or any part of the Premises or any interest in the Leasehold Estate is taken by condemnation, the rights and obligations of the parties will be determined under this ARTICLE 27, subject to the rights of any Lender. Accordingly, Tenant waives any right to terminate this Lease upon the occurrence of a partial condemnation under Sections 1265.120 and 1265.130 of the California Code of Civil Procedure, as those sections may from time to time be amended, replaced, or restated

27.02 Notice. In case of the commencement of any proceedings or negotiations that might result in a condemnation of all or any portion of the Premises during the Term, the party learning of such proceedings will promptly give written notice of the proceedings or negotiations to the other party. The notice will describe with as much specificity as is reasonable, the nature and extent of such condemnation or the nature of such proceedings or negotiations and of the condemnation that might result, as the case may be.

27.03 Total Taking. If the Project is totally taken by condemnation, this Lease will terminate on the date the condemnor has the right to possession of the Site.

27.04 Partial Taking. If any portion of the Project is taken by condemnation, this Lease will remain in effect, except that Tenant may, with Lender's written consent, elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Improvements is rendered unsuitable for Tenant's continued operation of the Project. If Tenant elects to terminate this Lease, Tenant must exercise its right to terminate under this paragraph by giving notice to Landlord within thirty (30) days after Landlord notifies Tenant of the nature and the extent of the taking. Tenant's termination notice must include the date of termination, which date may not be earlier than thirty (30) days or later than six (6) months after the date of Tenant's notice; except that this Lease will terminate on the date the condemnor has the right to possession of the Project if that date falls on a date before the date of termination as designated by Tenant. If Tenant does not terminate this Lease within the thirty (30) day notice period, this Lease will continue in full force and effect.

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

27.06 Restoration of Improvements. If there is a partial taking of the Project and this Lease remains in full force and effect under Section 27.04, then Tenant may, subject to the terms of the Leasehold Mortgage, use the proceeds of the taking to accomplish all necessary restoration to the Improvements.

27.07 Award and Distribution. Any compensation awarded, paid, or received on a total or partial condemnation of the Project or threat of condemnation of the Project will belong to and be distributed in the following order:

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

27.07(b) Second, to the Tenant in an amount equal to the then fair market value of Tenant's interest in the Project, such value to be determined as it existed immediately preceding the earliest taking or threat of taking of the Site; and;

27.07(c) Third, to Landlord.

27.07(d) Notwithstanding anything to the contrary set forth in this Section, any portion of the compensation awarded that has been specifically designated by the condemning authority or in the judgment of any court to be payable to Landlord or Tenant on account of any interest in the Premises or the Improvements separate and apart from the condemned land value, the value of Landlord's reversionary interest in the Improvements, Tenant's Leasehold Estate, or the value of the Improvements on the Premises for the remaining unexpired portion of the Term, will be paid to Landlord or Tenant, as applicable, as so designated by the condemning authority or judgment.

27.08 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, the award will be disposed of as provided in the Leasehold Mortgages.

27.09 Temporary Condemnation. If there is a condemnation of all or any portion of the Premises for a temporary period lasting less than the remaining Term, this Lease will remain in full force and effect, there will be no abatement of Rent, and the entire award will be payable to Tenant.

27.10 Personal Property; Goodwill. Notwithstanding Section 27.07, Landlord will not be entitled to any portion of any award payable in connection with the condemnation of the Personal Property of Tenant or any of its subtenants, or any moving expenses, loss of goodwill or business loss or interruption of Tenant, severance damages with respect to any portion of the Premises and Improvements remaining under this Lease, or other damages suffered by Tenant.

ARTICLE 28 ESTOPPEL CERTIFICATE

Landlord or Tenant, as the case may be, will execute, acknowledge, and deliver to the other and/or any Lender or a Permitted Limited Partner, promptly upon request, its certificate certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this 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 Landlord or Tenant to be performed or observed and, if so, specifying them, and (d) whether there are then existing any defaults by Tenant or Landlord in the performance or observance by Tenant or Landlord of any agreement, covenant, or condition on the part of Tenant or Landlord to be performed or observed under this Lease, and whether any notice has been given to Tenant or Landlord of any default that has not been cured and, if so, specifying the uncured default. Within ten (10) days following Tenant's request, Landlord shall deliver to Tenant an estoppel certificate in the form attached hereto as Attachment 10.

ARTICLE 29 SURRENDER AND QUITCLAIM

29.01 Surrender.

29.01(a) Upon expiration or earlier termination of this Lease, Tenant will surrender to Landlord the Project in good order, condition, and repair (except for ordinary wear and tear occurring after the last necessary maintenance made by Tenant and except for Casualty or Condemnation as described in ARTICLE 20 and ARTICLE 27). Ordinary wear and tear will not include any damage or deterioration that would have been prevented by proper maintenance by Tenant, or Tenant otherwise performing all of its obligations under this Lease. The Premises must be surrendered clean, free of debris, waste, and Hazardous Substances, and free and clear of all liens and encumbrances other than liens and encumbrances existing as of the date of this Lease and any other encumbrances created or approved in writing by Landlord. On or before the expiration or earlier termination of this Lease, Tenant at its sole cost will remove from the Premises, and repair any damage caused by removal of, Personal Property, including any signage. Improvements and Changes will remain in the Premises as Landlord property and title to the Improvements and any Changes will be conveyed to Landlord as provided in ARTICLE 13 above.

29.01(b) If the Project is not surrendered at the end of the Term or sooner termination of this Lease, and in accordance with the provisions of this ARTICLE 29, Tenant will continue to be responsible for the payment of Annual Rent until the Project is surrendered in accordance with this ARTICLE 29, and Tenant will indemnify, defend and hold harmless the Indemnified Parties from and against any and all Claims resulting from delay by Tenant in so surrendering the Project including, without limitation, any costs of Landlord to obtain possession of the Project; any loss or liability resulting from any Claim against Landlord made by any succeeding tenant or prospective tenant founded on or resulting from such delay and losses to Landlord due to lost opportunities to lease any portion of the Project or the Site to any such succeeding tenant or prospective tenant, together with, in each instance, reasonable attorneys' fees and costs.

29.01(c) No act or conduct of Landlord, including, but not limited to, the acceptance of the keys to the Project, will constitute an acceptance of the surrender of the Project by Tenant before the expiration of the Term. Only a written notice from Landlord to Tenant confirming termination of this Lease and surrender of the Project by Tenant will constitute acceptance of the surrender of the Project and accomplish a termination of this Lease.

29.02 Quitclaim. Upon the expiration or earlier termination of this Lease, the Project will automatically, and without further act or conveyance on the part of Tenant or Landlord, become the property of Landlord, free and clear of all liens and without payment therefore by Landlord, as provided in ARTICLE 13. Upon expiration or sooner termination of this Lease, Tenant must surrender the Project to Landlord and, at Landlord’s request, will execute, acknowledge, and deliver to Landlord a good and sufficient quitclaim deed with respect to any interest of Tenant in the Premises.

29.03 Abandoned Property. Any items, including Personal Property, not removed by Tenant will be deemed abandoned. Landlord may retain, store, remove, and sell or otherwise dispose of abandoned Personal Property, and Tenant waives all Claims against Landlord for any damages resulting from Landlord's retention, removal, and disposition of abandoned Personal Property; provided, however, that Tenant will be liable to Landlord for all costs incurred in storing, removing, and disposing of abandoned Personal Property and repairing any damage to the Premises resulting from its removal. Tenant agrees that Landlord may elect to sell abandoned

Personal Property and offset against the sales proceeds Landlord's storage, removal, and disposition costs without notice to Tenant or otherwise according to the procedures set forth in California Civil Code Section 1993, the benefits of which Tenant waives.

29.04 Survival. Tenant's obligation under this ARTICLE 29 will survive the expiration or earlier termination of this Lease.

ARTICLE 30 EQUAL OPPORTUNITY

Tenant agrees to comply with OCII's Equal Opportunity Program as described in Attachment 9 and will submit all documents required pursuant to the policies included in Attachment 9.

ARTICLE 31 OCII LABOR STANDARDS PROVISIONS

California Labor Code Section 1720 *et seq*. requires payment of prevailing wages for developments paid for in whole or in part out of public funds. Although the Parties acknowledge that the development of the Project is a private work of improvement, Tenant further acknowledges that the Project may be subject to Labor Code requirements. Tenant agrees to pay or cause to be paid prevailing rates of wages in accordance with the requirements set forth in Attachment 9-3 and to comply with applicable provisions of the Labor Code.

ARTICLE 32 OCII MINIMUM COMPENSATION AND HEALTH CARE ACCOUNTABILITY POLICY

OCII finds that it has a significant proprietary interest in the public parcel that is being leased to the Tenant pursuant to this Lease. Tenant agrees that the Tenant and its subtenants, if any, will comply with the applicable provisions of OCII's Health Care Accountability Policy, Attachment 9-5, and Minimum Compensation Policy, Attachment 9-6, and, adopted by Agency Resolution No. 168-2001 on September 25, 2001, as these policies may be amended from time to time (jointly in this Article, the "Policies"). Notwithstanding this requirement, the Parties recognize that the residential housing component of the Improvements is not subject to the Policies, but leasing and operations of any Non-residential Space is subject to the Policies (the Parties acknowledge that no Non-residential Space is proposed).

ARTICLE 33 OCII PREFERENCE PROGRAMS

To the extent permitted by applicable Law and the LOSP, Tenant agrees to comply with the requirements of OCII's current housing preference programs, as amended from time to time; provided, however, that such requirements will apply only to the extent permitted by the requirements of non-OCII funding approved by OCII for the Project.

ARTICLE 34 CONFLICT OF INTEREST

No commissioner, official, or employee of OCII may have any personal or financial interest, direct or indirect, in this Lease, and any such commissioner, official, or employee may not participate in any decision relating to this Lease that 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 35 NO PERSONAL LIABILITY

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

ARTICLE 36 ENERGY CONSERVATION

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

ARTICLE 37 WAIVER

The waiver by Landlord or Tenant of any term, covenant, agreement or condition in this Lease will not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, agreement, or condition in this Lease, and no custom or practice that may grow up between the parties in the administration of this Lease may be construed to waive or to lessen the right of Landlord or Tenant to insist upon the performance by the other in strict accordance with the its terms. The subsequent acceptance of rent or any other sum by Landlord will not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, agreement, or condition of this Lease, other than the failure of Tenant to pay the particular rent or other sum accepted, regardless of Landlord's knowledge of the preceding breach at the time of acceptance of such rent or other sum. Any waiver by Landlord of any term or provision of this Lease must be in writing.

ARTICLE 38 TENANT RECORDS

Upon reasonable notice during normal business hours, and as often as Landlord may deem necessary, Tenant will make available to Landlord 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 in this Lease will entitle Landlord to inspect personal histories of residents or lists of donors or supporters. To the extent that it is permitted by Law to do so, Landlord will respect the confidentiality requirements of Tenant in regard to the lists above of the names of Residential Occupants of the Premises furnished by Tenant under to ARTICLE 7 above.

ARTICLE 39 NOTICES AND CONSENTS

All notices, demands, consents, or approvals that may be given or are required to be given by either party to the other under this Lease must be in writing and will be deemed to have been fully given when delivered in person to such representatives of the Tenant and Landlord, or when deposited in the United States mail, certified, postage prepaid, or by express delivery service with a delivery receipt and addressed

if to Tenant at:	Mission Bay 9 LP c/o BRIDGE Housing Corporation 600 California Street, #900 San Francisco, CA 94108 Attention: President & Chief Executive Officer
	Mission Bay 9 LP c/o Community Housing Partnership 20 Jones Street San Francisco, CA 94102 Attention: Chief Executive Officer
With a copy to the Permitted Limited Partner at:	NEF Assignment Corporation, as nominee 10 South Riverside Plaza, Suite 1700 Chicago, Illinois 60606 Attention: General Counsel
With a copy to:	Squire Patton Boggs (US) LLP 2000 Huntington Center 41 South High Street Columbus, OH 43215 Attention: Thomas F. Kibbey
if to Landlord at:	Successor Agency to the Redevelopment Agency of the City and County of San Francisco One South Van Ness Avenue, 5th Floor San Francisco, California 94103 Attention: Executive Director
with a copy to:	Mayor's Office of Housing and Community Development One South Van Ness Avenue, 5th Floor San Francisco, California 94103 Attention: Director

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 under the provisions of this ARTICLE 39. Any notice given under this ARTICLE 39 will be effective on the date of delivery or the date delivery is refused as shown on the delivery receipt. Courtesy copies of notices may be delivered by email.

ARTICLE 40 HEADINGS

Any titles of the paragraphs, articles, and sections of this Lease are inserted for convenience only and will be disregarded in construing or interpreting any of its provisions. "Paragraph," "article," and "section" may be used interchangeably.

ARTICLE 41 SUCCESSORS AND ASSIGNS

This Lease will be binding upon and inure to the benefit of the successors and assigns of Landlord and Tenant and where the term "Tenant" or "Landlord" is used in this Lease, it means and includes their respective successors and assigns; provided, however, that Landlord will have no obligation under this Lease to, and no benefit of this Lease will accrue to, any unapproved successor or assign of Tenant where Landlord approval of a successor or assign is required by this Lease. If and when Landlord sells the Site to any third party, Landlord will require such third party to assume all of Landlord’s obligations under this Lease arising on and after the transfer in writing for the benefit Tenant and its successors and assigns.

ARTICLE 42 TIME

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

ARTICLE 43 PARTIAL INVALIDITY

If any provisions of this Lease are determined to be illegal or unenforceable, that determination will not affect any other provision of this Lease and all the other provisions of this Lease will remain in full force and effect.

ARTICLE 44 APPLICABLE LAW; NO THIRD PARTY BENEFICIARY

This Lease is governed by and construed under the laws of the State of California. This Lease is entered into solely among, between, and for the benefit of, and may be enforced only by, the parties hereto and does not create rights in any other third party.

ARTICLE 45 ATTORNEYS’ FEES

If either Landlord or Tenant fails to perform any of its obligations under this Lease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Lease, the defaulting party or the party non-prevailing party in such dispute, as the case may be, will pay the prevailing party reasonable attorneys’ and experts’ fees and costs, and all court costs and other costs of action incurred by the prevailing party in connection with the prosecution or defense of such action and enforcing or establishing its rights under this Lease (whether or not such action is prosecuted to a judgment). For purposes of this Lease, reasonable attorneys’ fees of OCII or the City’s Office of the City Attorney will be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by OCII or the Office of the City Attorney. The term “attorneys’ fees” also includes, without limitation, all such fees incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which the fees were incurred .The term “costs” means the costs and expenses of counsel to the parties, which may include printing, duplicating, and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, and others not admitted to the bar but performing services under the supervision of an attorney.

ARTICLE 46 EXECUTION IN COUNTERPARTS

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

ARTICLE 47 BROKERS

Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder’s fee in connection with the Lease contemplated herein. If any broker or finder perfects a claim for a commission or finder’s fee based upon any such contact, dealings, or communication, the party through whom the broker or finder makes a claim will be responsible for such commission or fee and will indemnify, defend and hold harmless the other party from any and all Claims. The provisions of this Section shall survive any termination of this Lease.

ARTICLE 48 RECORDATION OF MEMORANDUM OF GROUND LEASE

This Lease may not be recorded, but a memorandum of this Lease will be recorded in the form attached hereto as Attachment 5 (“**Memorandum of Ground Lease**”). The parties will 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 Lease to subsequent purchasers and mortgagees.

ARTICLE 49 INTENIONALLY OMMITTED

ARTICLE 50 SURVIVAL

Termination or expiration of this Lease will not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Lease, the ability to collect any damages or sums due, and it will not affect any provision of this Lease that expressly states it will survive termination or expiration of this Lease.

ARTICLE 51 TRANSFER OF PARTNERSHIP INTERESTS IN TENANT

Tenant may not cause or permit any voluntary transfer, assignment, or encumbrance of its interest in the Site or Project or of any ownership interests in Tenant, or lease or permit a sublease on all or any part of the Project, other than: (a) leases, subleases, or occupancy agreements to Residential Occupants; or (b) security interests for the benefit of lenders securing loans for the Project as approved by Landlord on terms and in amounts as approved by Landlord in its reasonable discretion, (c) transfers from Tenant to a limited partnership or limited liability company formed for the tax credit syndication of the Project, where Tenant or an affiliated nonprofit public benefit corporation is the sole general partner or manager of that entity; (d) transfers of the general partnership or manager's interest in Tenant to a nonprofit public benefit corporation approved in advance by Landlord; (e) transfers of any limited partnership or membership interest in Tenant to an investor under the tax credit syndication of the Project and transfers of any limited partner interest in Tenant to affiliates of the Permitted Limited Partner in accordance with the terms of the Tenant's partnership agreement; (f) any transfers by foreclosure or deed in lieu of foreclosure consistent with this Agreement; (g) the grant or exercise of an option agreement between Tenant and Tenant's general partner or manager or any of its affiliates in connection with the tax credit syndication of the Project where such agreement has been previously approved in writing by Landlord; or (g) the withdrawal of Mission Bay 9, LLC from the Partnership in accordance with Section 3.10(o) of the OCII Loan Agreement. Any other transfer, assignment, encumbrance, or lease without Landlord's prior written consent will be voidable and, at Landlord's election, constitute a default under this Agreement. Landlord's consent to any specific assignment, encumbrance, lease, or other transfer will not constitute its consent to any subsequent transfer or a waiver of any of Landlord's rights under this Lease.

ARTICLE 52 CITY PROVISIONS

Upon transfer of the Site and assignment of the rights and obligations of this Lease under Section 14.02 herein, Tenant is required to comply with the provisions set out in Attachment 7 to this Lease. At that time, any conflict between such provisions and those of this Lease shall be resolved in favor of the provisions contained in Attachment 7.

ARTICLE 53 COMPLETE AGREEMENT

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

ARTICLE 54 AMENDMENTS

Neither this Lease nor any terms or provisions hereof may be changed, waived, discharged, or terminated, except by a written instrument signed by the party against which the enforcement of the change, waiver, discharge, or termination is sought. No waiver of any breach will affect or alter this Lease, but each and every term, covenant, and condition of this Lease will continue in full force and effect with respect to any other then-existing or subsequent breach thereof. Any amendments or modifications to this Lease, including, without limitation, amendments to or modifications to the exhibits to this Lease, will be subject to the mutual written agreement of Landlord and Tenant, and Landlord's agreement may be made upon the sole approval of OCII's Executive Director, or his or her designee; provided, however, material amendments, or modifications to this Lease (a) changing the legal description of the Site, (b) increasing the Term beyond than provided in Article 2, (c) increasing the Rent, (d) changing the general use of the Project from the use authorized under this Lease, and (e) any other amendment or modification which materially increases Landlord's liabilities or financial obligations under this Lease will additionally require the approval of the Commission on Community Investment and Infrastructure.

ARTICLE 55 ATTACHMENTS

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

1. Legal Description of Site

2. Schedule of Performance

3. Consent to Leasehold Mortgage

4. Reserved

5. Form of Memorandum of Ground Lease

6. Form of Income Certification Form

7. City Contract Provisions Applicable Upon Assignment

8. Insurance Requirements

9. Equal Opportunity Policies

9-1. Small Business Enterprise Agreement

9-2. Construction Workforce Agreement

9-3. Prevailing Wage Policy

9-4. Nondiscrimination in Contracts and Benefits

9-5. Health Care Accountability Policy Declaration

9-6. Minimum Compensation Policy Declaration

10. Landlord Estoppel Certificate

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, TENANT ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF OCII HAS AUTHORITY TO COMMIT OCII TO THIS LEASE UNLESS AND UNTIL THE COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE HAS DULY ADOPTED A RESOLUTION APPROVING THIS LEASE AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF OCII UNDER THIS LEASE ARE CONTINGENT UPON ADOPTION OF SUCH A RESOLUTION, AND THIS LEASE WILL BE NULL AND VOID IF THE COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE DO NOT APPROVE THIS LEASE IN ITS SOLE DISCRETION. APPROVAL OF THIS LEASE BY ANY DEPARTMENT, COMMISSION, OR AGENCY OF CITY WILL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ENACTED, AND NO SUCH APPROVAL WILL CREATE ANY BINDING OBLIGATIONS ON OCII.

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

TENANT:

Mission Bay 9 LP,
a California limited partnership

By: Mission Bay 9 CHP LLC, a California limited liability company, its managing general partner

By: Community Housing Partnership, a California nonprofit public benefit corporation, its sole and managing member

By: ______________________________

Name: ______________________________

Title: ______________________________

By: Mission Bay 9 LLC, a California limited liability company, its administrative general partner

By: BRIDGE Housing Corporation, a California nonprofit public benefit corporation, its sole and managing member

By: ______________________________

Name: ______________________________

Title: ______________________________

LANDLORD:

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: ________________________________
Nadia Sesay
Executive Director

APPROVED AS TO FORM:

By: ________________________________
James B. Morales
General Counsel

<u>ATTACHMENT 1</u>

LEGAL DESCRIPTION OF THE SITE

<u>ATTACHMENT 2</u>

SCHEDULE OF PERFORMANCE

ATTACHMENT 3

CONSENT TO LEASEHOLD MORTGAGE

Date:

Office of Community Investment and Infrastructure
Successor to the San Francisco Redevelopment Agency
Attn: Executive Director
One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103

RE: _____________________, San Francisco (LEASEHOLD MORTGAGE)

To Whom It May Concern:

Under Section 25.01of the ______________ Ground Lease, dated ______, 20__, between the Office of Community Investment and Infrastructure ("OCII") and________________________, a California ___________________, we are formally requesting the OCII'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 OCII 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 OCII. Furthermore, we are willing to supply any additional documentation related to the leasehold mortgage which OCII deems necessary.

Sincerely,

____________________________________,
a California Limited Partnership

By: ___________________________________

Name: ___________________________________

Title: ___________________________________

enc.

By signing this letter, the OCII consents to the leasehold mortgage, under the terms and conditions of Section 25.01 of the ___________________ Ground Lease, dated ____________, 20___.

Office of Community Investment and Infrastructure

____

Nadia Sesay

Executive Director

ATTACHMENT 4

Reserved

ATTACHMENT 5

MEMORANDUM OF LEASE

Free Recording Requested under
Government Code Section 27383

When recorded, mail to:

The Successor Agency to the Redevelopment Agency of the City and County of San Francisco,
Office of Community Investment and Infrastructure
of the City and County of San Francisco
1 South Van Ness Avenue, Fifth Floor
San Francisco, California.94103
Attn: Executive Director

MEMORANDUM OF GROUND LEASE

This Memorandum of Ground Lease ("Memorandum") is entered into as of ______, ____, 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 ("Landlord"), and _________________________, a California limited partnership ("Tenant"), with respect to that certain Ground Lease (the "Lease") dated _______, 20__, between Landlord and Tenant.

Under the Lease, Landlord hereby leases to Tenant and Tenant leases from Landlord the real property more particularly described in Exhibit A, attached hereto and incorporated herein by this reference (the "Property"). The Lease will commence on the date set forth above and will end on the date that is 75 years from the date set forth above, subject to a 24 year option to extend, unless terminated earlier or extended pursuant to the terms of the Lease.

It is the intent of the parties to the Lease that the Lease creates a constructive notice of severance of the Improvements from the Property (as defined in the Lease), without the necessity of a deed from Lessor to Lessee, which Improvements together with the Leasehold Interest in the Property created by the Lease are and will remain real property.

This Memorandum incorporates herein all of the terms and provisions of the Lease as though fully set forth herein.

This Memorandum is solely for recording purposes and will not be construed to alter, modify, amend, or supplement the Lease, of which this is a memorandum.

This Memorandum may be signed by the parties hereto in counterparts with the same effect as if the signatures to each counterpart were upon a single instrument. All counterparts will be deemed an original of this Memorandum.

Executed as of __________, 20__ in San Francisco, California.

TENANT:

______________________________________,
a California Limited Partnership.

By: _____________________________________

Name: _____________________________________

Title: _____________________________________

LANDLORD:

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

By: ___________________________________
Nadia Sesay
Executive Director

APPROVED AS TO FORM:

By: __________________________________
James B. Morales
General Counsel

ATTACHMENT 6

FORM OF TENANT INCOME CERTIFICATION

ATTACHMENT 7

CITY CONTRACT PROVISIONS APPLICABLE UPON ASSIGNMENT

In accordance with Article 52 of the Lease, upon transfer of the Site and assignment of the rights and obligations of this Lease to the City in accordance with Section 14.02 therein, the following provisions shall be applicable to Tenant and in that event, any conflict between these provisions and those of the Lease shall be resolved in favor of the provisions set out below.

1. Non-Discrimination.

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

   b. Subleases and Other Subcontracts. Tenant must include in all subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to the subtenant or other subcontractor in substantially the form of Section 50.01(a) above. In addition, Tenant must incorporate by reference in all subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)–(k), and 12C.3 of the San Francisco Administrative Code and must require all subtenants and other subcontractors to comply with those provisions. Tenant's failure to comply with the obligations in this subsection will constitute a material breach of this Lease.

   c. Non-Discrimination in Benefits. Tenant does not as of the date of this Lease and will not during the Term, in any of its operations in San Francisco or with respect to its operations under this Lease elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits, or travel benefits (collectively "Core Benefits"), as well as any benefits other than Core Benefits, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity under state or local Law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

   d. Condition to Lease. As a condition to this Lease, Tenant must execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" (Form CMD-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Contract Monitoring Commission.

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

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

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

4. Charter Provisions. This Lease is governed by and subject to the provisions of the Charter of the City and County of San Francisco. Accordingly, Tenant acknowledges and agrees that no officer or employee of the City has authority to commit the City to this Lease unless and until a resolution of the City's Board of Supervisors has been duly enacted approving this Lease. Therefore, any obligations or liabilities of Landlord under this Lease are contingent upon enactment of a resolution, and this Lease will be null and void unless the City's Mayor and the Board of Supervisors approve this Lease, in their respective sole and absolute discretion, and in accordance with all applicable Laws. Approval of this Lease by any City department, commission, or agency may not be deemed to imply that a resolution will be enacted or create any binding obligations on the City.

5. Tropical Hardwood/Virgin Redwood Ban. Under Section 804(b) of the San Francisco Environment Code, the City and County of San Francisco urges companies not to import,

purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood, or virgin redwood wood product. Except as permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code, Tenant will not use any items in the rehabilitation, development, or operation of the Premises or otherwise in the performance of this Lease that are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products.

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

7. Pesticide Ordinance. Tenant must comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the “Pesticide Ordinance”), which (a) prohibit the use of certain pesticides on City property, (b) require the posting of certain notices and the maintenance of certain records regarding pesticide usage, and (c) require Tenant to submit to the City’s Department of the Environment an integrated pest management (“IPM”) plan that (i) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Tenant may need to apply to the Premises during the Term of this Lease, (ii) describes the steps Tenant will take to meet the City’s IPM Policy described in Section 39.1 of the Pesticide Ordinance, and (iii) identifies, by name, title, address, and telephone number, an individual to act as the Tenant’s primary IPM contact person with City. In addition, Tenant must comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance. Nothing in this Lease will prevent Tenant, acting through the City, from seeking a determination from the City’s Commission on the Environment that Tenant is exempt from complying with certain portions of the Pesticide Ordinance as provided in Section 307 thereof.

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

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

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

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

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

    b. If Tenant is a small business as defined in Section 12Q.3(d) of the HCAO, Tenant will have no obligation to comply with Section 50.10(a) above.

    c. Tenant's failure to comply with the HCAO will constitute a material breach of this Lease. If Tenant fails to cure its breach within thirty (30) days after receiving the City's written notice of a breach of this Lease for violating the HCAO or, if the breach cannot reasonably be cured within the 30-day period and Tenant fails to commence efforts to cure within the 30-day period, or thereafter fails diligently to pursue the cure to completion, then the City will have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies will be exercisable individually or in combination with any other rights or remedies available to the City.

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

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

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

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

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

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

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

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

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

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

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

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

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

    a. Neither Tenant nor any of its subcontractors will disclose Private Information, unless one of the following is true:

        (i) The disclosure is authorized by this Lease;

        (ii) Tenant received advance written approval from the Contracting Department to disclose the information; or

        (iii) The disclosure is required by law or judicial order.

    b. Any disclosure or use of Private Information authorized by this Lease must be in accordance with any conditions or restrictions stated in this Lease. Any disclosure or use of Private Information authorized by a Contracting Department must be in accordance with any conditions or restrictions stated in the approval.

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

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

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

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

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

18. Food Service Waste Reduction. Tenant agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided therein, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Lease as though fully set forth herein. Accordingly, Tenant acknowledges that City contractors and lessees may not use Disposable Food Service Ware

that contains Polystyrene Foam in City Facilities and while performing under a City contract or lease, and shall instead use suitable Biodegradable/ Compostable or Recyclable Disposable Food Service Ware. This provision is a material term of this Lease. By entering into this Lease, Tenant agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine. Without limiting City's other rights and remedies, Tenant agrees that the sum of One Hundred Dollars ($100.00) liquidated damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Lease was made. Those amounts will not be considered a penalty, but rather agreed upon monetary damages sustained by City because of Tenant's failure to comply with this provision.

19. Local Hire Requirements. Any undefined, initially-capitalized term used in this Section has the meaning given to that term in San Francisco Administrative Code Section 23.62 (the "Local Hiring Requirements"). Improvements and Changes (as defined in this Lease) are subject to the Local Hiring Requirements unless the cost for such work is (i) estimated to be less than $750,000 per building permit or (ii) meets any of the other exemptions in the Local Hiring Requirements. Tenant agrees that it will comply with the Local Hiring Requirements to the extent applicable. Before starting any Tenant Improvement Work or any Alteration, Tenant will contact City's Office of Economic Workforce and Development ("OEWD") to verify if the Local Hiring Requirements apply to the work (i.e., whether the work is a "Covered Project").

Tenant will include, and will require its subtenants to include, a requirement to comply with the Local Hiring Requirements in any contract for a Covered Project with specific reference to San Francisco Administrative Code Section 23.62. Each contract must name the City and County of San Francisco as a third party beneficiary for the limited purpose of enforcing the Local Hiring Requirements, including the right to file charges and seek penalties. Tenant will cooperate, and require its subtenants to cooperate, with the City in any action or proceeding against a contractor or subcontractor that fails to comply with the Local Hiring Requirements when required. Tenant's failure to comply with its obligations under this Section will constitute a material breach of this Lease. A contractor's or subcontractor's failure to comply with this Section will enable the City to seek the remedies specified in San Francisco Administrative Code Section 23.62 against the breaching party.

20. Criminal History in Hiring and Employment Decisions.

    a. Unless exempt, Tenant agrees to comply with and be bound by all of the provisions of San Francisco Administrative Code Chapter 12T (Criminal History in Hiring and Employment Decisions; "Chapter 12T"), which are hereby incorporated as may be amended from time to time, with respect to applicants and employees of Tenant who would be or are performing work at the Site.

b. Tenant will incorporate by reference the provisions of Chapter 12T in all subleases of a portion or all of the Site, if any, and will require all subtenants to comply with its provisions. Tenant's failure to comply with the obligations in this subsection will constitute a material breach of this Lease.

c. Tenant and subtenants (if any) may not inquire about, require disclosure of, or if such information is received base an Adverse Action (as defined in Chapter 12T) on an applicant's or potential applicant for employment, or employee's: (1) Arrest (as defined in Chapter 12T) not leading to a Conviction (as defined in Chapter 12T), unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

d. Tenant and subtenants (if any) may not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in Section 50.20(c) above. Tenant and subtenants (if any) may not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

e. Tenant and subtenants (if any) will state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment with Tenant or subtenant at the Site, that the Tenant or subtenant will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

f. Tenant and subtenants (if any) will post the notice prepared by the Office of Labor Standards Enforcement ("OLSE"), available on OLSE's website, in a conspicuous place at the Site and at other workplaces within San Francisco where interviews for job opportunities at the Site occur. The notice will be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the Site or other workplace at which it is posted.

g. Tenant and subtenants (if any) understand and agree that upon any failure to comply with the requirements of Chapter 12T, the City will have the right to pursue any rights or remedies available under Chapter 12T or this Lease, including but not limited to a penalty of $50 for a second violation and $100 for a subsequent violation for each employee, applicant, or other person as to whom a violation occurred or continued, termination, or suspension in whole or in part of this Lease.

h. If Tenant has any questions about the applicability of Chapter 12T, it may contact the City's Real Estate Division for additional information. City's Real Estate Division may consult with the Director of the City's Office of Contract Administration who may also grant a waiver, as set forth in Section 12T.8.

21. Prevailing Wages and Working Conditions. Any undefined, initially-capitalized term used in this Section has the meaning given to that term in San Francisco Administrative Code Section 23.61. Tenant will require its Contractors and Subcontractors performing (i) labor in connection with a "public work" as defined under California Labor Code Section 1720 et seq. (which includes certain construction, alteration, maintenance, demolition, installation, repair, carpet laying, or refuse hauling work if paid for in whole or part out of public funds) or (ii) Covered Construction, at the Premises to (1) pay workers performing such work not less than the Prevailing Rate of Wages, (2) provide the same hours, working conditions, and benefits as in each case are provided for similar work performed in San Francisco County, and (3) employ Apprentices in accordance with San Francisco Administrative Code Section 23.61 (collectively, "Prevailing Wage Requirements"). Tenant agrees to cooperate with the City in any action or proceeding against a Contractor or Subcontractor that fails to comply with the Prevailing Wage Requirements.

    Tenant will include, and will require its subtenants, and Contractors and Subcontractors (regardless of tier) to include, the Prevailing Wage Requirements and the agreement to cooperate in City enforcement actions in any Construction Contract with specific reference to San Francisco Administrative Code Section 23.61. Each such Construction Contract must name the City and County of San Francisco, affected workers, and employee organizations formally representing affected workers as third party beneficiaries for the limited purpose of enforcing the Prevailing Wage Requirements, including the right to file charges and seek penalties against any Contractor or Subcontractor in accordance with San Francisco Administrative Code Section 23.61. Tenant's failure to comply with its obligations under this Section will constitute a material breach of this Lease. A Contractor's or Subcontractor's failure to comply with this Section will enable the City to seek the remedies specified in San Francisco Administrative Code Section 23.61 against the breaching party. For the current Prevailing Rate of Wages, contact the City's Office of Labor Standards Enforcement.

22. Sugar-Sweetened Beverage Prohibition. Tenant agrees that it will not sell, provide, or otherwise distribute Sugar-Sweetened Beverages, as defined by San Francisco Administrative Code Chapter 101, as part of its performance of this Lease.

23. Taxes, Assessments, Licenses, Permit Fees and Liens.

    a. Tenant recognizes and understands that this Lease may create a possessory interest subject to property taxation and that Tenant may be subject to the payment of property taxes levied on such interest.

    b. Tenant agrees to pay taxes of any kind, including possessory interest taxes, that may be lawfully assessed on the Leasehold Estate created and to pay all other taxes, excises, licenses, permit charges, and assessments based on Tenant's usage of the Premises that may be imposed upon Tenant by law, all of which must be paid when the same become due and payable and before delinquency.

c. Tenant agrees not to allow or suffer a lien for any such taxes to be imposed upon the Premises or upon any equipment or property located thereon without promptly discharging the same, provided that Tenant, if so desiring, may have reasonable opportunity to contest the validity of the same.

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

24. Vending Machines; Nutritional Standards. Tenant may not install or permit any vending machine on the Premises without the prior written consent of Landlord. Any permitted vending machine must comply with the food nutritional and calorie labeling requirements set forth in San Francisco Administrative Code section 4.9-1(c), as may be amended from time to time (the "Nutritional Standards Requirements"). Tenant agrees to incorporate the Nutritional Standards Requirements into any contract for the installation of a vending machine on the Premises or for the supply of food and beverages to that vending machine. Failure to comply with the Nutritional Standards Requirements or to otherwise comply with this Section 50.24 will be deemed a material breach of this Lease. Without limiting Landlord's other rights and remedies under this Lease, Landlord will have the right to require the immediate removal of any vending machine on the Premises that is not permitted or that violates the Nutritional Standards Requirements.

25. San Francisco Packaged Water Ordinance. Tenant agrees to comply with San Francisco Environment Code Chapter 24 ("Chapter 24"). Tenant shall not sell, provide or otherwise distribute Packaged Water, as defined in Chapter 24 (including bottled water), in the performance of this Agreement or on City property unless Tenant obtains a waiver from the City's Department of the Environment. If Tenant violates this requirement, the City may exercise all remedies in this Agreement and the Director of the City's Department of the Environment may impose administrative fines as set forth in Chapter 24.

ATTACHMENT 8

INSURANCE REQUIREMENTS

Subject to approval by the OCII Risk Manager of the insurers and policy forms, Borrower must obtain and maintain, or caused to be maintained, the insurance and bonds as set forth in this Exhibit F throughout the Compliance Term of this Agreement, or in accordance with the timeframes stated herein, at no expense to OCII.

A. Overview of Coverage Requirements. The following table summarizes required insurance policies and documentation. Please see Section B of this Exhibit F for more detailed descriptions of policy requirements.

Insurance Type	**Coverage Amount (Minimum)**	**Applicable Parties**	**Endorsement or Certificate Required**
Commercial General Liability (see Section B.1)	$1,000,000 per occurrence/ $2,000,000 aggregate*	Borrower's design and professional contractors; and Borrower (prior to start of construction)	Additional insured (see Section G) Completed Operations Coverage endorsement (on construction stage policy) (see Section G)
	$10,000,000 per occurrence/ $10,000,000 aggregate*	Borrower (upon construction start), general contractor, and subcontractors to the general contractor	
Automobile Liability (see Section B.2)	$1,000,000 per accident*	Borrower and Borrower's contractors	Additional insured (see Section G)
	$10,000,000 per accident*	Upon construction start - general contractor and subcontractors to the general contractor	
Worker's Compensation and Employer's Liability (see Section B.3)	As per statute for Workers Comp; $1,000,000 per accident; $1,000,000 per employee; and in aggregate for bodily injury by disease as respects Employers Liability*	Borrower and Borrower's contractors	Waiver of subrogation
Professional Liability (see Section B.4)	$2,000,000 per claim/ $2,000,000 aggregate	Borrower if engaged in any eligible design-related activities; and Borrower's design and professional contractors	None
Crime/Dishonesty (see Section B.5)	$1,000,000 per loss	Borrower	Loss payee endorsement

Insurance Type	Coverage Amount (Minimum)	Applicable Parties	Endorsement or Certificate Required
Pollution Liability/Asbestos (see Section B.6)	$1,000,000 per claim/ $2,000,000 aggregate	Borrower or Borrower's construction contractor(s)	Additional insured (see Section G)
Builder's Risk – During Construction (see Section B.7a)	100% of replacement value	Borrower	Loss payee endorsement
Property Insurance – After Construction Completion (see Section B.7b)	100% of replacement value	Borrower or Borrower's property manager	Loss payee endorsement
Performance and Payment Bonds (see Section B.8)	100% of contract value	Borrower's construction contractors	OCII and Borrower named as dual obligees
Modular Performance Insurance (see Section B.9)	100% of modular contract value	Modular manufacturer	General contractor named as loss payee

** Umbrella, excess liability policy, or owner controlled insurance program (OCIP) may be used to meet limits (see Section D)*

B. Minimum Scope and Limits of Insurance. Borrower and/or Borrower's Contractors must maintain insurance with limits no less than:

1) Commercial General Liability coverage, under Insurance Services Office occurrence form CG 00 01 or other form approved by OCII, with additional insured endorsement (form CG 20 10 or equivalent) (see Section G). Limits set forth below. Coverage must be included for contractual liability; explosion, collapse and underground (XCU); products and completed operations. Umbrella, Excess Liability, or an Owner Controlled Insurance Policy may be used to meet the terms of this section.

a. Before the start of demolition/construction if the Site is unoccupied, Borrower and Borrower's Contractors will maintain coverage of not less than One Million Dollars ($1,000,000) combined single limit per occurrence and Two Million Dollars ($2,000,000) annual aggregate limit. These limit requirements apply to Borrower's design and professional contractors throughout the required coverage period;

b. During demolition/construction and occupancy of the Site and ongoing operations of the Project, Borrower and its Construction Contractors and/or Property Manager will maintain coverage of not less than Ten Million Dollars ($10,000,000) combined single limit per occurrence and Ten Million Dollars ($10,000,000) annual aggregate limit. For subcontractors to the Construction General Contractor and the Property Manager, the Borrower, in consultation with the Construction General Contractor and the Property Manager, as appropriate, is required to assess the risks associated with such contractors and determine, authorize, and verify the appropriate level of coverage provided by the subcontractor or consultant;

c. The construction period general liability policy must include completed operations coverage for a minimum of ten (10) years. Tenant must provide a completed operations coverage endorsement (form CG 20 37 or equivalent) and OCII must be named as an additional insured pursuant to Section G below.

2) Automobile Liability coverage for all owned, non-owned, scheduled, and hired automobiles under Insurance Services Office form number CA 00 01 or other form approved by OCII, with additional insured endorsement (see Section G). If Borrower does not own any automobiles, Borrower must provide OCII a written statement confirming that no automobiles are owned, and OCII will accept an Automobile Insurance policy providing coverage for Symbol 8 (hired autos) and Symbol 9 (non-owned autos), with additional insured endorsement. One Million Dollars ($1,000,000) per accident for bodily injury and property damage, combined single limit.

   For construction operations, Borrower's Contractor will maintain coverage of not less than Ten Million Dollars ($10,000,000) per accident for bodily injury and property damage, combined single limit. For subcontractors to the Construction General Contractor and the Borrower, the Construction General Contractor, is required to assess the risks associated with such contractors and, with the authorization of the Borrower, determine and verify the appropriate level of automobile liability coverage provided by the subcontractor or consultant.

3) Worker's Compensation and Employer's Liability as required by the State of California. A waiver of subrogation naming OCII is required (also known as "transfer of rights of recovery against others to us"). Employer's Liability coverage must provide limits of One Million Dollars ($1,000,000) for bodily injury each accident; and not less than One Million Dollars ($1,000,000) per employee; and One Million Dollars ($1,000,000) in the annual aggregate for bodily injury by disease. If the Borrower does not have any employees, then evidence of Workers' Compensation and Employers Liability coverage required herein must be provided by either the Project Sponsor(s) or the General Partner of the Partnership, in lieu of such coverage being provided by the Borrower. Additionally, the Borrower must provide a written statement confirming that the Borrower does not have employees.

4) Professional Liability (Errors and Omissions) insurance, applicable to the Borrower's licensed design and professional contractors (architects, engineers, surveyors and other eligible consultants) and to the Borrower only if the Borrower or Sponsor has any employees providing design or engineering services. Two Million Dollars ($2,000,000) for each claim and in the annual aggregate limit covering negligent acts, errors or omissions in connection with professional services to be provided in connection with the Project. If the Professional Liability insurance is "claims made"

coverage, these minimum limits shall be maintained for no less than five (5) years beyond completion of the scope of services performed. Any deductible over One Hundred Thousand Dollars ($100,000) each claim must be reviewed by OCII Risk Management.

Design professionals who utilize the services of subcontractors or consultants to complete work in connection with this project are required to assess the risks associated with such contractors and, with the authorization of the Borrower, determine and verify the appropriate level of coverage provided by the subcontractor or consultant. The design professional and the Borrower shall assume costs and expenses that may be incurred in fulfilling any indemnity obligations as to itself or any subcontractors or consultants for whom the design professional and/or the Borrower are legally liable in the absence of adequate subcontractor or consultant coverage.

5) Crime Policy or Fidelity Bond covering Borrower and Developer's officers and employees against dishonesty with respect to the Funding Amount. One Million Dollars ($1,000,000) each loss, with any deductible not to exceed Ten Thousand Dollars ($10,000). Borrower must provide an endorsement naming OCII as an additional obligee or loss payee.

6) Pollution Liability and/or Asbestos Pollution Liability applicable to the work being performed, with a limit no less than One Million Dollars ($1,000,000) per claim or occurrence and Two Million Dollars ($2,000,000) aggregate per policy period of one year, this coverage shall be endorsed to include Non-Owned Disposal Site coverage. This policy may be provided by the Borrower's construction contractor to maintain these minimum limits for no less than three (3) years beyond completion of the Project.

7) Property Insurance

    a. Builder's Risk Insurance during the course of any construction, 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 Fifty Thousand Dollars ($50,000) each loss, including OCII as loss payee. Builder's Risk must be maintained by the Borrower or the Borrower must cause its general contractor to maintain this insurance.

    b. Property Insurance after completion of construction, special form coverage, excluding earthquake and flood, but including vandalism and malicious mischief, and including boiler and machinery insurance, 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 loss payee. A waiver of subrogation naming OCII is required (also known as "transfer of rights of recovery against others to us").

8) Performance and Payment Bonds for eligible construction contractors during construction and/or rehabilitation, each in the amount of one hundred percent (100%) of contract amounts, naming OCII and Borrower as dual obligees, or other completion security approved by OCII in its sole discretion. OCII has approved issuance of a Completion Guaranty by an affiliate of Borrower to Borrower's institutional lender as completion security.

9) Performance Insurance. Borrower shall require its general contractor to obtain performance insurance that insures against delay in delivery of modules, up to the amount of Borrower's or Borrower's general contractor's contract amount for the delivery of modules for the construction of the Project. Borrower shall limit general contractor's use of proceeds from the performance insurance policy to be used to solely to reduce cost overruns in the construction of the Project related to or caused by delay in the delivery of modules, and Borrower shall, and shall require general contractor, to obtain OCII's approval prior to expending such proceeds.

C. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions in excess of those required for policies stated herein must be declared to and approved by OCII. At the option of OCII, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents and employees; or Borrower shall provide a financial guarantee satisfactory to OCII guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Umbrella, Excess Liability, and Owner Controlled Insurance Policies (OCIP). An Umbrella and/or Excess Liability policy(ies) or an OCIP may be used to reach the Commercial General Liability, Workers' Compensation, and/or Automobile Liability coverage limits required herein. The Umbrella/Excess Liability/OCIP policy(ies) must appropriately schedule any such underlying policy(ies).

E. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of no less than A:VII, unless otherwise approved by OCII's Risk Manager.

F. General Requirements.

1) If the Borrower maintains additional coverages and/or higher limits than the minimums shown in this Exhibit F, OCII requires and shall be entitled to the additional coverage and/or the higher limits maintained by the Borrower.

2) The policies required herein, with the exception of Professional Liability and Workers Compensation, shall be primary insurance and non-contributory as respects to OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents, and employees. Any insurance or self-insurance maintained by OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents or employees shall be in excess of Borrower's insurance and shall not contribute with it.

3) Each insurance policy required herein must be endorsed (if endorsement is available) to state that coverage will not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice by mail has been given to OCII. Should the insurance carrier not be able to provide such notice, then the responsibility to provide the notice to OCII shall be borne by the policyholder.

4) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents or employees.

5) Approval of Borrower's insurance by OCII will not relieve or decrease the liability of Borrower under this Agreement.

6) OCII and its officers, agents and employees will not be liable for any required premium under any policy maintained by Borrower.

7) 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 five (5) years after recordation of a notice of completion for builder's risk or the Compliance Term for general liability and property insurance.

G. <u>Verification of Coverage.</u> Borrower must furnish OCII with certificates of insurance and original endorsements evidencing coverage required by this clause. The certificates and applicable 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 OCII before work commences. OCII reserves the right to require complete, certified copies of all required insurance policies, including endorsements demonstrating the coverage required by these specifications at any time. Borrower shall require and verify that its contractors and consultants maintain the required policies as stated herein. Borrower must furnish OCII with copies of certificates and endorsements upon request. All certificates shall include the following:

1) Identify the following as the certificate holder:

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

Office of Community Investment and Infrastructure
One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103

2) Identify the name of the insurance policy holder (Borrower, Developer, or Contractor), the Project name, and the Project address.

3) For policies in which OCII is required to be named as an additional insured, loss payee, dual obligee, or named on a waiver of subrogation, the policy shall name "Office of Community Investment and Infrastructure/ Successor Agency to the Redevelopment Agency of the City and County of San Francisco, the City and County of San Francisco and their respective commissioners, members, officers, agents and employees" on the certificate and on the attached endorsement or certificate.

H. Review. OCII reserves the right to modify the insurance coverage under this Section, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances consistent with OCII's Risk Management Policy. The insurance coverage required under this Section shall be evaluated by OCII for adequacy from time to time. OCII may require Borrower to increase the insurance limits and/or forms of coverage in its reasonable discretion provided that such limits and/or coverage is generally available at commercially reasonable rates.

ATTACHMENT 9

EQUAL OPPORTUNITY PROGRAM

1. Equal Opportunity Policies. Tenant shall comply with OCII's Equal Opportunity Policies and execute agreements and declarations attached hereto as part of this Attachment 9 which includes: Small Business Enterprise Agreement, Construction Workforce Agreement, Prevailing Wage Provisions (Labor Standards), Nondiscrimination in Contracts and Benefits, Minimum Compensation Policy, and Health Care Accountability Policy:

(i) Small Business Enterprise (SBE) Policy (adopted by Resolution No. 43-2015) which requires execution of the SBE Agreement attached as Attachment 9-1;

(ii) Construction Workforce, attached as set forth in Attachment 9-2;

(iii) Prevailing Wage Provisions (Labor Standards) (adopted by Resolution No. 327-1985) attached as Attachment 9-3.

(iv) Nondiscrimination in Contracts and Benefits (adopted by Resolution No. 175-1997) which requires execution of the Nondiscrimination in Contracts and Benefits Declaration Form attached as Attachment 9-4.

(v) Minimum Compensation Policy (adopted by Resolution No. 168-2001) which requires execution of the Minimum Compensation Policy Declaration attached as Attachment 9-5.

(vi) Health Care Accountability Policy (adopted by Resolution No. 168-2001) which requires execution of the Health Care Accountability Policy Declaration attached as Attachment 9-6.

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 Tenant or OCII who exercises or has exercised any function or responsibilities with respect to activities assisted by proceeds of the OCII Loan 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, Tenant 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. Tenant 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, Tenant must take prompt and diligent action to cause the breach to be remedied and compliance to be restored.

(b) Tenant 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. Tenant certifies that it knows of no facts that constitute a violation of any of these provisions and agrees to notify OCII immediately if Tenant at any time obtains knowledge of facts constituting a violation.

(c) In the event of any violation of the conflict of interest prohibitions, Tenant agrees that OCII may refuse to consider any future application for funding from Tenant or any entity related to Tenant until the violation has been corrected to OCII's satisfaction, in OCII's sole discretion.

4. Disability Access. Tenant 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.*). Tenant is responsible for determining which disability access Laws apply to the Project, including those applicable due to the use of proceeds of the OCII Loan Funds. In addition, before occupancy of the Project, Tenant must provide to OCII a written reasonable accommodations policy that indicates how Tenant will respond to requests by disabled individuals for accommodations in Units and common areas of the Project.

5. Lead-Based Paint. Tenant 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. Tenant 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. Tenant 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) Tenant May Not Discriminate. In the performance of this Agreement, Tenant 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 Tenant, in any of Tenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services or membership in all business, social or other establishments or organizations operated by Tenant.

(b) Non-Discrimination in Benefits. Tenant 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) Tenant 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. Tenant 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. Tenant 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, Tenant acknowledges that it is familiar with section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the 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. Tenant 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. Tenant further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Tenant's board of directors; Tenant's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Tenant; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Tenant. Additionally, Tenant acknowledges that Tenant must inform each of the persons described in the preceding sentence of the prohibitions contained in section 1.126.

Finally, Tenant agrees to provide to OCII the names of each member of Tenant's general partner’s (or, if applicable, general partner’s managing members) board of directors; Tenant's general partner’s (or, if applicable, general partner’s 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 Tenant’s general partner (or, if applicable, general partner’s managing members); any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Tenant.

Attachment 9

ATTACHMENT 9-1

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 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 only to hire qualified San Francisco residents as trainees. 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

A. Procedures For Trainee Hires

1. **Compliance with the Trainee Hiring Goal**

Design professionals will be deemed in compliance with this Agreement by meeting or exceeding the trainee hiring goal or by take the following steps in good faith towards compliance.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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.

8. **<u>Termination of Trainee for Cause</u>**

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.

B. <u>Reporting Requirements For Trainee Hires</u>

1. **<u>Reporting</u>**

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. **<u>Report on Terminations</u>**

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).

V. <u>TERM.</u> 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. <u>FIRST CONSIDERATION</u>. 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. <u>ASSOCIATIONS AND JOINT VENTURES (JV).</u> OCII will recognize JVs and Associations between non-SBE firms and SBE firms where the SBE partner performs at least 35% of the work defined in the JV or Association agreement, and receives at least 35% (or a proportionate share, whichever is higher) of the dollars to be earned by the JV or Association. Under this arrangement, OCII will deem the JV or Association to be an SBE for the purposes of meeting the SBE goal. Due to the technical nature of the disciplines and the various standards of each industry, OCII will not require a standardized agreement. However, each JV and Association agreement must be in writing and contain, at a minimum, the following terms:

- Define the management of the agreement between the parties;
- Define the technical and managerial responsibilities of each party;
- Define the scope of work to be performed by each party, and where possible identify the percentage and break-down of scope of work for each party;
- Identify any additional subcontractors or consultants that will perform the work under the agreement;
- Define the schedule, duration, and deliverable of the agreement;
- Detail the fee schedule, fee breakdown, or division of compensation;
- Specify insurance requirements and/or if each party shall maintain its own insurance;
- Specify how additional work or changes in scope shall be negotiated or determined and which party shall be responsible for notifying OCII of the changes;
- Specify how claims and disputes will be resolved.

A copy of the JV or Association agreement must be provided to OCII for approval in order for the JV or Association to be recognized.

VIII. <u>CERTIFICATION.</u> 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 SBE Policy.

IX. <u>INCORPORATION.</u> 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.

X. <u>DEFINITIONS.</u> 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.

<u>Affiliates</u> 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.

Agency-Assisted Contract means, as applicable, the Development and Disposition Agreement ("**DDA**"), Land Disposition Agreement ("**LDA**"), Lease, Loan and Grant Agreements, and other similar contracts, and 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.

Agency Contract means personal services contracts, purchase requisitions, and other similar contracts and operations agreements that the Agency executes with for-profit or non-profit entities.

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 XIII, as well as those persons and entities who are subject to a default award provided that all of the requirements in Section XIII.L. have been met.

Association means an agreement between two parties established for the purpose of completing a specific task or project. The associate agreement shall provide the SBE associate a significant project management role and the SBE associate shall be recognized in marketing and collateral material. The Association shall be distinguished from traditional subcontracting arrangements via a written Association agreement that defines the management of the agreement, technical and managerial responsibilities of the parties, and defined scopes and percentages of work to be performed by each party with its own resources and labor force. Unlike the more formal Joint Venture, an Association does not require formation of a new business enterprise between the parties. The Associate agreement shall contain, at a minimum, provisions required by Section VII and be subject to OCII approval.

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.

Joint Venture means an entity established between two parties for the purposes of completing a venture or project. The Joint Venture agreement typically creates a separate business entity and requires acquisition of additional insurance for the newly created joint business entity. The Joint Venture agreement shall contain, at a minimum, provisions required by Section VII and be subject to OCII approval.

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), Hunters Point Shipyard, Mission Bay (North), Mission Bay (South), Rincon Point/South Beach, South of Market, and Transbay.

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:

Industry	**OCII SBE Size Standard**
Construction Contractors	$20,000,000
Specialty Construction Contractors	$14,000,000
Suppliers (goods/materials/ equipment and general services)	$10,000,000
Professional Services	$2,500,000
Trucking	$3,500,000

In addition, an economically disadvantaged business shall meet the other certification criteria described in Exhibit I of the SBE Policy in order to be considered an SBE by the Agency.

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 1120s for Corporations) to calculate the firm's three year average annual gross receipts. In addition, the calculation of a firm's size shall include the receipts of all affiliates.

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).

Specialty Construction Contractor means a contractor licensed by the Contractors State License Board under the "C" classification license pursuant to California Business and Professions Code Section 7058.

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.

XI. <u>GOOD FAITH EFFORTS TO MEET SBE GOALS</u> 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. <u>Outreach</u>. Not less than 30 days prior to the opening of bids or the selection of contractors, the Agency-Assisted Contractor or Contractor shall:

1. **<u>Advertise</u>**. 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. **<u>Request List of SBEs</u>**. 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. <u>Pre-Solicitation Meeting</u>. 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. <u>Follow-up</u>. 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. <u>Subdivide Work.</u> 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. <u>Provide Timely and Complete Information</u>. 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. <u>Good Faith Negotiations.</u> 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. <u>Bid Shopping Prohibited.</u> 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. <u>Other Assistance.</u> 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.

XII. 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 seven (7) 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.

XIII. PROCEDURES

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 XIII.

G. **<u>Agency Investigation</u>**. 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 disagrees 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.

XIV. <u>ARBITRATION OF DISPUTES</u>.

A. **<u>Arbitration by AAA</u>**. 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. **<u>Demand for Arbitration</u>**. 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 fail 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. **<u>Parties' Participation</u>**. 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, <u>provided</u> <u>however</u>, that the Agency-Assisted Contractor or Contractor made an initial timely Demand for Arbitration pursuant to Section XIII.B. above.

D. **<u>Agency Request to AAA</u>**. 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. **<u>Selection of Arbitrator</u>**. 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. <u>Setting of Arbitration Hearing</u>. 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. <u>Discovery</u>. In arbitration proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure §1283.05.

H. <u>Burden of Proof</u>. 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. <u>California Law Applies</u>. 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. <u>Arbitration Remedies and Sanctions</u>. 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. <u>Arbitrator's Decision</u>. 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.

______________________________	______________________________
OCII	Agency-Assisted Contractor

[SIGNATURE ON FOLLOWING PAGE]

XV. <u>AGREEMENT EXECUTION</u>

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	Date
______________________________	______________________________
Print Your Name	Title
______________________________	
Company Name and Phone Number	

Attachment 9-1

ATTACHMENT 9-2

CONSTRUCTION WORKFORCE AGREEMENT

I. **PURPOSE.** This Agreement is entered into between the Tenant and the Office of Community Investment and Infrastructure ("OCII" or "Agency"), as successor agency to the San Francisco Redevelopment Agency for the purposes of ensuring participation of San Francisco residents and equal employment opportunities in the construction work force involved in constructing any of the phases upon the Site covered by the underlying agreement to which this Agreement is attached hereto.

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 Mission Bay South 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 immediately 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. **<u>Default Award; No Requirement to Seek an Order Compelling Arbitration</u>.** 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. **<u>Arbitrator Lacks Power to Modify</u>.** 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. **<u>Jurisdiction/Entry of Judgment</u>.** 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. **<u>Exculpatory Clause</u>.** 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. **<u>Severability</u>**. 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. **<u>Arbitration Notice</u>:** 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 Date

______________________________ ______________________________

Print Your Name Title

______________________________ ______________________________

Company Name Phone Number

ATTACHMENT 9-3

PREVAILING WAGE POLICY

These Prevailing Wage Provisions (hereinafter referred to as "Labor Standards") apply to any and all construction of the Improvements as defined in the underlying agreement between the Tenant and OCII of which this Attachment and these Labor Standards are a part.

11.1 All Contracts and Subcontracts for construction and construction-related improvements shall contain the Labor Standards.

(a) All specifications relating to the construction of the Improvements shall contain these Labor Standards and the Tenant 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 Tenant 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 Tenant 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.

11.2 Definitions. The following definitions shall apply for purposes of this Exhibit H:

(a) “Contractor” is the Tenant 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.

(a) "Laborers" and "Mechanics" are all persons providing labor to perform the construction, including working foremen and security guards.

(b) "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.

11.3 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 §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.

(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 Contractor 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 §8. The Executive Director of the Agency may require the Contractor 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 §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.

11.4 **<u>Permissible Payroll Deductions</u>**.

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.

11.5 **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.

11.6 **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.

11.7 **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) 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 Contractor 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.

11.8 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.

(a) The Contractor shall make the records required under this §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 Agency’s equal opportunity program set forth in Attachment 5 of this Lease Agreement.

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 §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 Contractor 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 §2 ("Non-Conforming Contract"); or by reason of any failure to submit the payrolls or make records available as required by §8 ("Non-Complying Contractor"), the Executive Director of the Agency may, after written notice to the Contractor 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 Contractor, 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 Contractor 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 Contractor, 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 Contractor 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 Contractor shall continue to withhold the moneys until the dispute has been resolved either by agreement, or failing agreement, by arbitration as is provided in §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.

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 Tenant 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 Contractor, or as appropriate to one or the other if the Contractor 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 §4) and copies of all notices sent or received by the Agency pursuant to §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 Contractor shall pay the Contractor from money withheld.

(i) <u>Costs and Expenses</u>. 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 **<u>Non-liability of the Agency</u>**. The Contractor 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 Contractor, 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.

ATTACHMENT 9-4

NONDISCRIMINATION IN CONTRACTS AND BENEFITS

	OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE (OCII) **(SUCCESSOR TO THE SAN FRANCISCO REDEVELOPMENT AGENCY)** **DECLARATION FORM** **Nondiscrimination in Contracts and Benefits**

Section A

Is your company/organization currently certified by the City and County of San Francisco in compliance with Administrative Code 12B Equal Benefits Ordinance and will your company/organization ensure nondiscrimination in contracts and benefits pursuant to 12B on OCII contracts? If yes, please indicate below, skip Section B, and execute the Declaration in Section C. If no, please skip Section A and complete Sections B and C.

☐ My company/organization is certified and compliant with the 12B Equal Benefits Ordinance of the City and County of San Francisco and there has been no change in our 12B Declaration since certification. My company/organization agrees to ensure nondiscrimination in contracts and benefits pursuant to 12B on OCII contracts. (Please check box to affirm, if applicable)

Section B

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 Office of Community Investment and Infrastructure (successor to the San Francisco Redevelopment Agency) (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 Agency or the City?

❑ Yes ❑ No

If you answered "no" to any part of Question 1a or 1b, the 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 ________________________	❑	❑	❑
• Other ________________________	❑	❑	❑

d. 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 Agency. You need not document your "yes" answer to Question 1a or Question 1b.*

Section C

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 _____ day of __________________, 20____, at _________________________________, __________.
(City) (State)

Name of Company/Organization: ____

Doing Business As (DBA): ____

Also Known As (AKA): ____

General Address: ____

Remittance Address (if different from above): ____

Name of Signatory: ______________________________________ Title:______________________
(Please Print)

Signature: ____

Phone Number: _______________________ Federal Tax Identification Number: ___________________________

Approximate number of employees in the U.S.:___________ 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: Office of Community Investment and Infrastructure (successor to the San Francisco Redevelopment Agency), One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103

ATTACHMENT 9-5

HEALTH CARE ACCOUNTABILITY POLICY DECLARATION

What the Policy does. The Office of Community Investment and Infrastructure ("OCII") (as Successor Agency to the Redevelopment Agency) adopted the San Francisco Health Care Accountability Policy (the "HCAP"), which became effective on September 25, 2001. The HCAP requires contractors and subcontractors that provide services to OCII, contractors and subcontractors that enter into leases with OCII, and parties providing services to tenants and sub-tenants on OCII property to choose between offering health plan benefits to their employees or making payments to OCII or directly to their employees.

Specifically, contractors can either: (1) offer the employee minimum standard health plan benefits approved by the OCII Commission; (2) pay OCII $5.15 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 $206 in any week) and OCII will appropriate the money for staffing and other resources to provide medical care for the uninsured (rates and amounts effective July 1, 2018 and subject to annual change).

The OCII may require contractors to submit reports on the number of employees affected by the HCAP.

Effect on OCII 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, OCII can award a contract to that contractor **only if** the contract is exempt under the HCAP, or if the contract has received a waiver from OCII.

What this form does. Your signed declaration will help OCII's contracting practice. Sign this form if you can assure OCII that, beginning with the first OCII'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.

If you cannot make this assurance now, please do not return this form.

For more information, please see the complete text of the HCAP, available from the OCII's Contract Compliance Department at: (415) 749-2400.

Routing. Return this form to: Contact Compliance Department, Office of Community Investment and Infrastructure (Successor to the San Francisco Redevelopment Agency), 1 South Van Ness Avenue, Fifth Floor, San Francisco, CA 94103.

Declaration

Effective with the first OCII 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

Date

Print Name

Company Name

Phone

ATTACHMENT 9-6

MINIMUM COMPENSATION POLICY DECLARATION

What the Policy does. The Office of Community Investment and Infrastructure (OCII) (Successor Agency to the San Francisco Redevelopment Agency) adopted the Minimum Compensation Policy (MCP), which became effective on September 25, 2001. The MCP requires contractors and subcontractors to provide the following to their employees covered by the MCP on OCII contracts and subcontracts for services: for contractors with employees performing work in San Francisco, the Commercial Business MCP wage rate shall be no less than $17.00 per hour effective November 11, 2018. The Nonprofit MCP wage rate is $15.00 per hour effective July 1, 2018. The Minimum Compensation rate is adjusted on January 1 each year. Furthermore, 12 paid days off per year (or cash equivalent) and 10 days off without pay per year shall be offered.

The OCII may require contractors to submit reports on the number of employees affected by the MCP.

Effect on OCII 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, OCII 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 OCII.

What this form does. Your signed declaration will help OCII's contracting practice. Sign this form if you can assure OCII that, beginning with the first OCII 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.

If you cannot make this assurance now, please do not return this form.

For more information, please see the complete text of the MCP, available from the OCII's Contract Compliance Department at (415) 749-2400 or http://sfocii.org/policies-and-procedures.

Routing. Return this form to: Contract Compliance Department, Office of Community Investment and Infrastructure (Successor to the San Francisco Redevelopment Agency), 1 South Van Ness, Fifth Floor, San Francisco, CA 94103.

Declaration

Effective with the first OCII 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 Date

Print Name

Company Name Phone

ATTACHMENT 10

LANDLORD ESTOPPEL CERTIFICATE

This Landlord Estoppel Certificate ("Certificate") is delivered as of ________, 20__ ("Effective Date") by SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF CITY AND COUNTY OF SAN FRANCISCO, a public body, organized and existing under the laws of the State of California, commonly known as the Office of Community Investment and Infrastructure ("Landlord"), to and for the benefit and reliance of MISSION BAY 9 LP ("Tenant"), and NEF ASSIGNMENT CORPORATION, as nominee, and its successors in interest as the limited partner of Tenant ("Limited Partner"). Tenant is leasing the Premises (defined below) from Landlord pursuant to that certain Ground Lease ("Ground Lease") dated on or about April ___, 2020. Limited Partner has requested that Tenant obtain from Landlord this Certificate.

Landlord hereby represents and certifies as of the Effective Date as follows:

1. Status of Lease. The Lease is in full force and effect.

2. No Defaults. Landlord is not in default under the Lease and no event has occurred or situation exists which would, with the passage of time or giving of notice or both, result in Landlord being in default under the Lease. To Landlord's knowledge, Tenant is not in default under the Lease and no event has occurred or situation exists which would, with the passage of time or giving of notice or both, result in Tenant being in default under the Lease.

3. No Termination. To Landlord's knowledge, Landlord has no present right to terminate the Lease. Landlord has neither given nor received any notice of termination of the Lease.

4. No Defenses. To Landlord's knowledge, Landlord has no defense, offset, claim, counterclaim, or right of recoupment against its obligations under the Lease.

5. Authority. Landlord and the person or persons executing this certificate on behalf of Landlord have the power and authority to execute this Certificate.

The truth and accuracy of the certifications contained herein is being relied upon by Tenant and Limited Partner and the certifications contained herein shall be binding upon Landlord and its successors and assigns and inure to the benefit of the Tenant and Limited Partner.

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: ______________________________

Nadia Sesay
Executive Director

Attachment B

AMENDED AND RESTATED LOAN AGREEMENT

By and Between

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

and

MISSION BAY 9 LP
a California limited partnership,

for

MISSION BAY SOUTH BLOCK 9
410 China Basin Street
[$37,245,760]

Dated as of _____________, 2020

TABLE OF CONTENTS

Page

ARTICLE 1 - DEFINITIONS 3
ARTICLE 2 - FUNDING 13
ARTICLE 3 - TERMS 14
ARTICLE 4 – CLOSING DISBURSEMENTS 17
ARTICLE 5 – DEMOLITION, REHABILITATION OR CONSTRUCTION 20
ARTICLE 6 – MARKETING 22
ARTICLE 7 – AFFORDABILITY AND OTHER LEASING RESTRICTIONS 23
ARTICLE 8 – MAINTENANCE AND MANAGEMENT OF THE PROJECT 25
ARTICLE 9 – GOVERNMENTAL REQUIREMENTS 26
ARTICLE 10 - PROJECT MONITORING, REPORTS, BOOKS AND RECORDS 26
ARTICLE 11 – USE OF INCOME FROM OPERATIONS 28
ARTICLE 12 – REQUIRED RESERVES 29
ARTICLE 13 – DISTRIBUTIONS 30
ARTICLE 14 – SYNDICATION PROCEEDS 31
ARTICLE 15 – DEVELOPER FEES 32
ARTICLE 16 - TRANSFERS 32
ARTICLE 17 - INSURANCE AND BONDS 33
ARTICLE 18 - GOVERNMENTAL APPROVALS 33
ARTICLE 19 - DEFAULT 33
ARTICLE 20 - REPRESENTATIONS AND WARRANTIES 37
ARTICLE 21 - NOTICES 37
ARTICLE 22 - HAZARDOUS SUBSTANCES 38
ARTICLE 23 - INDEMNITY 39
ARTICLE 24 – GENERAL PROVISIONS 40

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EXHIBITS

A	Schedules of Income and Rent Restrictions
B-0	Amended Table of Predevelopment Sources and Uses of Funds
B-1	Table of Sources and Uses of Funds
B-2	Annual Operating Budget
B-3	20-Year Cash Flow Proforma
C	Form of Tenant Income Certification
D	Form of Promissory Note
E	Contract Compliance Policies
F	Insurance Requirements
G	Lobbying/Debarment Certification Form
H	Form of Annual Monitoring Report
I	Modular Work Disbursement Procedure
J	Form Deed of Trust
K	Form of Declaration of Restrictions
L	Schedule of Performance
M	OCII Monthly Project Update Form
N	Developer Fee Schedule
O	Assignment of Work Product
P	Consent to Assignment of Work Product
Q	Legal Description of the Site
R	Final Financial Plan Confirmation Letter
S	Intentionally Omitted
T-1	Intentionally Omitted
T-2	Intentionally Omitted
T-3	Form of LOSP Unit Tenant Selection Plan

AMENDED AND RESTATED
LOAN AGREEMENT
(Mission Bay South Block 9)

This AMENDED AND RESTATED LOAN AGREEMENT ("**Agreement**") is entered into as of ________________2020, by and between 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**"), and MISSION BAY 9 LP, a California limited partnership, ("**Borrower**").

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**") and the Board of Supervisors of the City and County of San Francisco (the "**City**") established the Mission Bay South Redevelopment Project Area (the "**Project Area**").

B. In accordance with the CRL, the City, acting through its Board of Supervisors, approved a Redevelopment Plan for the Mission Bay South Redevelopment Project Area by Ordinance No. 335-98 adopted on November 2, 1998, and adopted a first amendment on July 9, 2013 by Ordinance No. 143-13 and a second amendment on March 6, 2018 by Ordinance No. 32018, referred to herein as the "Mission Bay South Redevelopment Plan." In cooperation with the City, the Former Agency was responsible for implementing the Mission Bay South Redevelopment Plan.

C. The Mission Bay South Redevelopment Plan provides for the redevelopment, construction and revitalization of the area generally bounded by the China Basin Channel, Seventh and Mariposa Streets, and the San Francisco Bay, containing approximately 238 acres of land, into a mixed-use development comprised of public open space, retail, commercial, entertainment uses, and parking and loading uses.

D. The Mission Bay South Owner Participation Agreement (the "**OPA**") between the Agency and Catellus Development Corporation (succeeded by FOCIL-MB, LLC, the "**Master Developer**"), as updated, provides that the Master Developer will contribute parcels of land within the Project Area to the Former Agency, and at no cost, for the development of up to one thousand two hundred eighteen (1,218) affordable housing units (defined in the OPA as "**Agency Affordable Housing Parcels**"), including Mission Bay South Block 9.

E. On February 1, 2012, the State of California dissolved all redevelopment agencies, including the Former Agency, by operation of law pursuant to California Health and Safety Code Sections 34170 *et seq*. ("**Redevelopment Dissolution Law**"). Under the authority of the Redevelopment Dissolution Law and under San Francisco Ordinance No. 215-12 (Oct. 4, 2012) (establishing the Successor Agency Commission ("**Commission**") and delegating to it state authority under the Redevelopment Dissolution Law), OCII is administering the enforceable obligations of the Former Agency.

F. On January 24, 2014, the California Department of Finance made a final and conclusive determination pursuant to Redevelopment Dissolution Law that the OPA, the Mission Bay South Tax Increment Allocation Pledge Agreement, and the Mission Bay South Allocation Pledge Agreement Housing are enforceable obligations that survive the dissolution of the Former Agency, and require OCII to administer the development authorized under the Mission Bay South Redevelopment Plan, OPA, and related South Plan Documents, including the obligation to fund construction of affordable housing on the Agency Affordable Housing Parcels.

G. In 2015, the State of California adopted amendments to the Redevelopment Dissolution Law, codified at Health and Safety Code Section 34177.7, which authorized OCII to incur indebtedness for the purpose of funding development of affordable housing, including of the Agency Affordable Housing Parcels.

H. On April 6, 2017, OCII issued a Housing Development Request for Proposals, and on June 7, 2017, OCII issued a Revised Request for Proposals (the “RFP”) to develop and operate affordable rental housing units with supportive services for formerly homeless persons on an Agency Affordable Housing Parcel within the Mission Bay South Residential land use district of the Project Area, that parcel being commonly referred to as Block 9 and more particularly described in Attachment 1 (the “**Site**”). On October 17, 2017, the Commission selected, by Resolution No. 38-2017, BRIDGE Housing Corporation, a California nonprofit public benefit, corporation (“BRIDGE”) and Community Housing Partnership, a California nonprofit public benefit corporation, (“CHP”) to develop the Project.

I. BRIDGE and CHP have formed affiliates, namely Mission Bay 9 LLC, an affiliate of BRIDGE and Mission Bay 9 CHP LLC, an affiliate of CHP. BRIDGE is the sole member of Mission Bay 9 LLC and CHP is the sole member of Mission Bay 9 CHP LLC. Mission Bay 9 LLC and Mission Bay 9 CHP LLC are general partners of Mission Bay 9 LP, a California limited partnership (the "**Partnership**"), together with BRIDGE Regional Partners, Inc., a California nonprofit public benefit corporation (“**BRP**”), as the initial limited partner. The Partnership is evidenced by that certain First Amended and Restated Partnership Agreement between the General Partners and BRP dated August 14, 2019.

J. On February 20, 2018, the Commission approved, by Resolution No. 03-2018, an exclusive negotiations agreement (the “**ENA**”) by and between OCII and Mission Bay 9 LP, and also approved a Predevelopment Loan Agreement (the “**Predevelopment Loan**”) with Mission Bay 9 LP, as Borrower, to provide funds totaling Five Million Dollars ($5,000,000) (the “**Predevelopment Loan Amount**”) to fund certain costs related to the development of the Project.

K. Borrower intends to enter into a Ground Lease (as defined herein) of the Site for the purpose of constructing, and thereafter intends to construct and operate on the Site, approximately one hundred forty-one (141) residential units, including one-hundred forty (140) units of low- income rental housing and one unrestricted manager’s unit, with supportive services for formerly homeless households, a community garden, and related management, services, and amenity spaces, all as more particularly set forth in the Basic Concept and Schematic Designs approved on January 19, 2019 by Commission Resolution No. 01-2019, and as further set forth in Design Development Documents, approved by OCII on July 25, 2019, and as may be further revised in accordance with the Redevelopment Requirements (herein, the "**Project**").

L. On March 6, 2020, the Citywide Affordable Housing Loan Committee ("**Loan Committee**") approved a loan to the Borrower (the "**Loan**") for the development of the Project, in for an aggregate amount not to exceed Thirty Seven Million Two Hundred Forty Five Thousand Seven Hundred Sixty Dollars($37,245,760) (the "**Funding Amount**"), which amount includes the Predevelopment Loan Amount and the Additional Predevelopment Loan Amount of Ten Million Nine Hundred Nineteen Thousand Seven Hundred Ninety Dollars ($10,919,760).

M. On April 7, 2020, the Commission approved the issuance of the Loan by Resolution No. __-2020.

N. In accordance with the requirements of the OPA, on or about ____________, 2020, Master Developer will transfer the Site to OCII.

O. OCII now intends to issue the Loan to Borrower in accordance with the terms of this Agreement.

P. For purposes of implementation and to ensure consistency with the City's overall affordable housing goals and priorities, OCII has engaged the Mayor's Office of Housing and Community Development ("**MOHCD**") to provide certain construction monitoring and loan disbursement services for the Loan and the Project, in cooperation with OCII.

Q. Upon completion of construction of the Project, OCII intends to assign its rights and obligations under this Agreement and Ground Lease, together with conveyance of fee title to the Site, to MOHCD as the designated Housing Successor of the City and County of San Francisco under Board of Supervisors Resolution 11-12, as required by Redevelopment Dissolution Law and OCII's approved Long-Term Property Management Plan dated December 2015.

R. This Agreement amends and restates in its entirety that certain Loan Agreement, dated February 20, 2018 between Borrower and OCII.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement, 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:

"**20-Year Cash Flow Proforma**" means the 20-year cash flow proforma for the Project attached as Exhibit B-3**,** as it may be revised and approved by the MOHCD Director and the

OCII Executive Director prior to the Loan Closing Date. Any revisions to the 20-Year Cash Flow Proforma so approved by the MOHCD Director and the OCII Executive Director will be attached to and included in this Agreement in the form of the Final Financial Plan Confirmation Letter.

"**Accounts**" means all depository accounts, including reserve and trust accounts, required or authorized under this Agreement or otherwise by OCII in writing. All Accounts must be maintained in accordance with Section 2.3.

"**Additional Predevelopment Loan Amount**" means the addition to the Funding Amount under the Predevelopment Loan of $10,919,760 for a total of $15,919,790 that is authorized under this Agreement and subject to certain terms and conditions of disbursement under this Agreement.

"**Agreement**" has the meaning given in the first paragraph hereto.

"**Amended Table of Sources and Uses for Predevelopment**" means a table of sources and uses of funds that replaces Exhibit B-1 of the Predevelopment Loan and adds a line item budget for use of the Additional Predevelopment Amount.

"**Annual Operating Budget**" means an annual operating budget for the Project attached hereto as Exhibit B-2, as it may be revised and approved by the MOHCD Director and the OCII Executive Director prior to the Loan Closing Date. Any revisions to the Annual Operating Budget so approved by the MOHCD Director and the OCII Executive Director will be attached to and included in this Agreement in the form of the Final Financial Plan Confirmation Letter.

"**Assignment of Work Product**" means the assignment of work product executed by Borrower granting OCII a security interest in the Work Product to secure Borrower's performance under this Agreement and the Note prior to the Loan Closing Date, in substantially the form and substance attached hereto as Exhibit O.

"**Authorizing Resolutions**" means: (a) in the case of a corporation, a certified copy of resolutions adopted by its board of directors; (b) in the case of a partnership (whether general or limited), a certificate signed by all of its general partners; and (c) in the case of a limited liability company, a certified copy of resolutions adopted by its board of directors or members, satisfactory to OCII and evidencing Borrower's authority to execute, deliver and perform the obligations under the OCII Documents to which Borrower is a party or by which it is bound.

"**Borrower**" means Mission Bay 9 LP, a California limited partnership, and its authorized successors and assigns.

"**CFR**" means the Code of Federal Regulations.

"**Charter Documents**" means: (a) in the case of a corporation, its articles of incorporation and bylaws; (b) in the case of a partnership, its partnership agreement and any certificate or statement of partnership; and (c) in the case of a limited liability company, its operating agreement and any LLC certificate or statement. The Charter Documents must be delivered to OCII in their original form and as amended from time to time and be accompanied by a certificate of good standing for Borrower issued by the California Secretary of State and, if Borrower is organized under the laws of a state other than California, a certificate of good standing issued by the Secretary of State of the state of organization, issued no more than ninety (90) days before the Loan Closing Date.

"**City**" means the City and County of San Francisco, a municipal corporation. Whenever this Agreement provides for a submission to the City or an approval or action by the City, this Agreement refers to submission to or approval or action by MOHCD unless otherwise indicated.

"**CNA**" means a 20-year capital needs assessment or analysis of replacement reserve requirements.

"**Commission**" means the Successor Agency Commission, commonly referred to as the Commission on Community Investment and Infrastructure.

"**Completion Date**" has the meaning set forth in Section 5.6.

"**Compliance Term**" has the meaning set forth in Article 3.

“**Construction Contract**” has the meaning set forth in Section 5.2.

“**Control of the Site**” means Borrower’s acquisition of fee ownership or a leasehold interest in the Site (or a portion thereof).

“**Conversion Date**” means the date on which construction financing for the Project is converted into permanent financing, if applicable.

“**CRL**” has the meaning set forth in Recital A.

"**Declaration of Restrictions**" means a recorded declaration of restrictions in substantially the form and substance attached hereto as Exhibit K that requires Borrower and the Project to comply with the use restrictions in this Agreement for the duration specified therein, even if the Loan is repaid or otherwise satisfied, this Agreement terminates or the Deed of Trust is reconveyed.

"**Deed of Trust**" means the deed of trust executed by Borrower granting OCII a lien on Borrower’s leasehold interest in the Site and on the Project to secure Borrower's performance under this Agreement and the Note, in substantially the form and substance attached hereto as Exhibit J.

"**Developer**" means Mission Bay 9 LP.

"**Developer Fees**" has the meaning set forth in Section 15.1.

"**Disburse**", "**Disbursement**" and other derivatives thereof means the disbursement of all or a portion of the Funding Amount by OCII as described in Article 4.

"**Distributions**" has the meaning set forth in Section 13.1.

"**Environmental Activity**" means any actual, proposed or threatened spill, leak, pumping, discharge, leaching, storage, existence, release, generation, abatement, removal, disposal, handling or transportation of any Hazardous Substance from, under, into or on the Site.

"**Environmental Laws**" means all present and future federal, state, local and administrative laws, ordinances, statutes, rules and regulations, orders, judgments, decrees, agreements, authorizations, consents, licenses, permits and other governmental restrictions and requirements relating to health and safety, industrial hygiene or the environment or to any Hazardous Substance or Environmental Activity, including the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (commonly known as the "Superfund" law) (42 U.S.C. §§ 9601 *et seq*.), the Resource Conservation and Recovery Act of 1976, as amended by the Solid Waste and Disposal Act of 1984 (42 U.S.C. §§ 6901 *et seq*.); the National Environmental Policy Act of 1969 ("NEPA") (24 CFR §§ 92 and 24 CFR §§ 58); the California Hazardous Substance Account Act (also known as the Carpenter-Presley-Tanner Hazardous Substance Account Law and commonly known as the "California Superfund" law) (Cal. Health & Safety Code §§ 25300 *et seq*.); and the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65") (Cal. Health & Safety Code §§ 25249.2 *et seq*.); and Sections 25117 and 25140 of the California Health & Safety Code.

"**Escrow Agent**" means the escrow agent for the title company issuing the Title Policy.

"**Event of Default**" has the meaning set forth in Section 19.1.

"**Expenditure Request**" means a written request by Borrower for a Disbursement from the Funding Amount, which must certify that the Project costs covered by the Expenditure Request have been paid or incurred by Borrower.

"**Final Financial Plan**" means the Table of Sources and Uses, the Annual Operating Budget and 20 Year Cash Flow (Exhibits B-1, B-2, and B-3), as they may be revised and approved by the MOHCD Director and the OCII Executive Director prior to the Loan Closing Date. Any revisions to the Final Financial Plan so approved by the MOHCD Director and the OCII Executive Director will be attached to and included in this Agreement in the form of the Final Financial Plan Confirmation Letter.

“**Final Financial Plan Confirmation Letter**” means a letter documenting the approved Final Financial Plan including any adjustments thereto made and approved by the MOHCD Director and the OCII Executive Director subsequent to execution of this Agreement but prior to the Loan Closing Date, including without limitation interest rate and distribution of surplus cash.

"**Funding Amount**" has the meaning initially set forth in Recital L and shall include any revision by the Final Financial Plan (including the Final Financial Plan Conformation Letter).

"**Funds**" means the monies to be disbursed by OCII under this Agreement.

"**GAAP**" means generally accepted accounting principles in effect on the date of this Agreement and at the time of any required performance.

“**General Partner**” means collectively Mission Bay 9 CHP LLC, an affiliate of Community Housing Partnership and Mission Bay 9 LLC an affiliate of BRIDGE Housing Corporation, and their authorized successors and assigns.

"**Governmental Agency**" means: (a) any government or municipality or political subdivision of any government or municipality; (b) any assessment, improvement, community facility or other special taxing district; (c) any governmental or quasi-governmental agency, authority, board, bureau, commission, corporation, department, instrumentality or public body; or (d) any court, administrative tribunal, arbitrator, public utility or regulatory body.

“**Ground Lease**” means the ground lease of the Site naming Borrower as tenant and OCII as landlord.

"**Hazardous Substance**" means any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any Governmental Agency to pose a present or potential hazard to human health or safety or to the environment. Hazardous Substance includes any material or substance listed, defined or otherwise identified as a "hazardous substance," "hazardous waste," "hazardous material," "pollutant," "contaminant," "pesticide" or is listed as a chemical known to cause cancer or reproductive toxicity or is otherwise identified as "hazardous" or "toxic" under any Environmental Law, as well as any asbestos, radioactive materials, polychlorinated biphenyls and any materials containing any of them, and petroleum, including crude oil or any fraction, and natural gas or natural gas liquids. Materials of a type and quantity normally used in the construction, operation or maintenance of developments similar to the Project will not be deemed "Hazardous Substances" for the purposes of this Agreement if used in compliance with applicable Environmental Laws.

“**HCD**” means the California Department of Housing and Community Development.

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

"**Income Restrictions**" means the maximum household income limits for Qualified Tenants, as set forth in Exhibit A.

"**Indemnify**" means, whenever any provision of this Agreement requires a person or entity (the "**Indemnitor**") to Indemnify any other entity or person (the "**Indemnitee**"), that the Indemnitor will be obligated, to the fullest extent allowable by law, to defend, indemnify and protect and hold harmless the Indemnitee, its officers, employees, agent, constituent partners, and members of its boards and commissions harmless from and against any and all Losses arising directly or indirectly, in whole or in part, out of the act, omission, event, occurrence or condition with respect to which the Indemnitor is required to Indemnify an Indemnitee, whether the act, omission, event, occurrence or condition is caused by the Indemnitor or its agents, employees or contractors, or by any third party or any natural cause, foreseen or unforeseen; *provided that* no Indemnitor will be obligated to Indemnify any Indemnitee against any Loss arising or resulting from the gross negligence or intentional wrongful acts or omissions of the Indemnitee or its agents, employees or contractors. If a Loss is attributable partially to the grossly negligent or intentionally wrongful acts or omissions of the Indemnitee (or its agents, employees or contractors), the Indemnitor must Indemnify the Indemnitee for that part of the Loss not attributable to its own grossly negligent or intentionally wrongful acts or omissions or those of its agents, employees or contractors.

"**Indemnitee**" has the specific meaning set forth in Section 23.1 and the general meaning set forth in the definition of "Indemnify."

"**Indemnitor**" has the meaning set forth in the definition of "Indemnify."

“**Investor Limited Partner**” means, collectively, the tax credit equity investor who will be admitted as a limited partner and/or special limited partner of Borrower concurrent with Loan Closing, and their respective successors and assigns.

“**IRS Tax Credit Rules**” shall mean all laws, rules, regulations, ordinances and statutes relating to or governing the Tax Credits, including, but not limited to, Section 42 of the Internal Revenue Code, as it may be amended from time to time.

“**Land Settlement Reserve Account**” has the meaning set forth in Section 12.3.

"**Laws**" means all statutes, laws, ordinances, regulations, orders, writs, judgments, injunctions, decrees or awards of the United States or any state, county, municipality or Governmental Agency, including the CRL.

"**Loan**" has the meaning set forth in Recital L.

"**Loan Closing**" means the recording of the Deed of Trust and Declaration of Restrictions as authorized by the Borrower and OCII in accordance with the provisions of this Agreement.

“**Loan Closing Date**” means the date on which OCII and the Borrower authorize Loan Closing and the Deed of Trust and Declaration of Restrictions are recorded in the Official Records.

“**Loan Committee**” has the meaning set forth in Recital L.

“**Local Operating Subsidy Program**” or “**LOSP**” means the program operated by MOHCD in conjunction with the City’s Department of Homelessness and Supportive Housing to provide operating subsidies to affordable housing units that house formerly homeless people who have been referred by the aforementioned City departments.

“**LOSP Guidelines**” means the San Francisco Local Operating Subsidy Program (LOSP) Policies and Procedures Manual 2018, as amended from time to time.

“**LOSP Subsidy Year**” means any Lease Year in which the Project receives a payment under LOSP.

“**LOSP Units**” means residential units that will receive an annual operating subsidy from LOSP. All units within the Project, with the exception of the manager’s unit, will receive an annual operating subsidy from LOSP.

"**Loss**" or "**Losses**" includes any loss, liability, damage, cost, expense or charge and reasonable attorneys' fees and costs, including those incurred in a proceeding in court or by mediation or arbitration, on appeal or in the enforcement of OCII’s or the City's rights or in defense of any action in a bankruptcy proceeding.

"**Maturity Date**" has the meaning set forth in Section 3.3.

"**Median Income**" means area median income as determined by MOHCD, adjusted solely for actual household size.

"**Modular Work**" has the meaning set forth in Section 2.7.

"**MOHCD**" means the Mayor's Office of Housing and Community Development or its successor which the Board of Supervisors of the City and County of San Francisco has designated, under Redevelopment Dissolution Law, as the Housing Successor to the Former Agency, and which will acquire OCII’s interest in the Project upon OCII’s issuance of a certificate of completion, as described in the Memorandum of Understanding for the implementation of Affordable Housing Obligations under San Francisco Successor Agency Ordinance 215-12 between OCII and MOHCD (May 6, 2014).

"**Note**" means the promissory note executed by Borrower in favor of OCII in the original principal amount of the Funding Amount. The prior note dated February 20, 2018 for the

Predevelopment Loan Amount has been cancelled and returned to Borrower, and the Predevelopment Loan Amount and the Additional Predevelopment Loan Amount are part of the Funding Amount as of the Loan Closing Date.

"**Notice to Proceed**" has the meaning set forth in Section 5.5.

"**OCII**" means the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, commonly known as the Office of Community Investment and Infrastructure, and its successors and/or assigns.

"**OCII Documents**" means this Agreement, the Note, the Deed of Trust, the Declaration of Restrictions, the Assignment of Work Product and any other documents executed or, delivered in connection with this Agreement.

“**OCII Monthly Project Update**” has the meaning set forth in Section 10.2.

“**Official Records**” has the meaning set forth in Section 3.1.

"**Operating Reserve Account**" has the meaning set forth in Section 12.2.

"**Opinion**" means an opinion of Borrower's California legal counsel, satisfactory to OCII and its legal counsel, that Borrower is a duly formed, validly existing California limited partnership in good standing under the laws of the State of California, has the power and authority to enter into the OCII Documents and will be bound by their terms when executed and delivered, and that addresses any other matters OCII reasonably requests.

“**Permitted Exceptions**” means liens in favor of OCII, real property taxes and assessments that are not delinquent, and any other liens and encumbrances OCII expressly approves in writing in its escrow instructions.

“**Predevelopment Loan Amount**” means the amount authorized under the Predevelopment Loan approved by OCII Resolution No. 03-2018 and the Additional Predevelopment Loan Amount authorized under this Agreement.

“**Project**” means the development described in Recital K. If indicated by the context, “Project” means the Site and the improvements developed on the Site.

“**Project Area**” has the meaning set forth in Recital A.

“**Project Expenses**” means the following costs, which may be paid from Project Income to the extent of available Project Income: (a) all charges incurred in the operation of the Project for utilities, real estate taxes and/or possessory interest taxes, assessments, and premiums for insurance required under this Agreement, the Ground Lease or by other lenders providing secured financing for the Project; (b) salaries, wages and any other compensation due and payable to the employees or agents of Borrower who maintain, administer, operate, or provide services 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 any financing that has been approved by OCII and is secured by either the Borrower's leasehold interest in the Ground Lease, the Project constructed thereon, or both, and used to finance the Project; (d) all other expenses actually incurred by Tenant to cover routine operating and services provision costs of the Project, including maintenance and repair and the reasonable fee of any managing agent; (e) annual Base Rent payments pursuant to the Ground Lease; (f) required, and necessary, deposits to the Replacement Reserve Account, Operating Reserve Account, and any other reserve account required under this Agreement; (g) the approved annual property management fees indicated in the Annual Operating Budget and approved as part of the Final Financial Plan; (h) an annual bond monitoring fee, pursuant to the City and County of San Francisco Multifamily Securities Program Manual dated October 1, 2018, as may be updated from time to time; (i) an annual project sponsor asset management fee in an amount of no more than $23,460 in the first year of operations, and increasing by 3.5% annually; and (j) any extraordinary expenses reasonably approved in advance by OCII (other than expenses paid from any reserve account). Project Fees are not Project Expenses.

"**Project Fees**" means (i) an annual asset management and partnership management fee in an amount of no more than $23,450 in the first year of operations, and increasing by 3.5% annually, payable to the Borrower's general partner (ii) a limited partner asset management fee/annual investor services fee in the amount of $5,000, increasing by 3.5% annually, payable to Borrower's Investor Limited Partner, approved by OCII pursuant to the OCII Documents and consistent with the MOHCD Multifamily Affordable Housing Operating Fees Policy (effective April 1, 2016), as may be amended from time to time.

"**Project Financing**" has the meaning set forth in Section 4.3(b)(i).

"**Project Income**" means all revenue, income, receipts, and other consideration actually received from the operation of leasing the Improvements, including without limitation: all rents, fees, and charges paid by Residential Occupants; Section 8 or other rental subsidy payments received for the dwelling units; supportive services funding; deposits forfeited by tenants; all cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements; proceeds from vending and laundry room machines; accrued interest disbursed from any reserve account required under this Lease for a purpose other than that for which the reserve account was established; and the proceeds of business interruption or similar insurance. Project Income does not include tenants' security deposits, loan proceeds, capital contributions, or similar advances.

"**Project Operating Account**" has the meaning set forth in Section 11.1.

"**Publication**" means any report, article, educational material, handbook, brochure, pamphlet, press release, public service announcement, webpage, audio or visual material or other communication for public dissemination, which relates to all or any portion of the Project or is paid for in whole or in part using the Funding Amount.

"**Qualified Tenant**" means a Tenant household, earning no more than the maximum permissible annual income level allowed under this Agreement as set forth in Exhibit A. The term "Qualified Tenant" includes each category of Tenant designated in **Exhibit A**.

"**Redevelopment Dissolution Law**" has the meaning set forth in Recital E**.**

"**Redevelopment Requirements**" has the meaning set forth in the OPA and its Attachment C (Mission Bay South Housing Program).

"**Rent**" means the aggregate annual sum charged to Tenants for rent and utilities in compliance with Section 7.

"**Rent Restrictions**" means the limitations on Rents set forth in Section 7.3 and Exhibit A.

"**Replacement Cost**" means all hard constructions costs of the Project, not including the cost of site work and foundations but including construction contingency, for the purpose of establishing the amount of the Replacement Reserve Account. This defined term is not intended to affect any other calculation of replacement cost for any other purpose.

"**Replacement Reserve Account**" has the meaning set forth in Section 12.1.

"**Retention**" has the meaning set forth in Section 4.7.

"**Schedule of Performance**" means the schedule attached hereto as Exhibit L that sets forth Project tasks and milestones and the dates by which they will be completed.

"**Section 8**" means rental assistance provided under Section 8(c)(2)(A) of the United States Housing Act of 1937 (42 U.S.C. § 1437f) or any successor or similar rent subsidy programs.

"**Site**" means the real property described in Exhibit Q of this Agreement.

“**Surplus Cash**” means Project Income remaining after payment of Project Expenses and Project Fees. The amount of Surplus Cash must be based on figures contained in audited financial statements.

"**TCAC**" means the California Tax Credit Allocation Committee.

"**Table of Sources and Uses**" means a table of sources and uses of funds attached hereto as Exhibit B-1, including a line item budget for the use of the Funding Amount, which table may not be adjusted without OCII's prior written approval and which includes the Predevelopment Loan Amount.

"**Tenant**" means any residential household in the Project.

"**Tenant Selection Plan**" has the meaning set forth in Section 6.1.

"**Title Policy**" means an ALTA extended coverage lender's policy of title insurance in form and substance satisfactory to OCII, issued by an insurer selected by Borrower and satisfactory to OCII, together with any endorsements and policies of coinsurance and/or reinsurance required by OCII, in a policy amount equal to the Funding Amount, insuring the Deed of Trust and indicating the Declaration of Restrictions as valid liens on the Site, each subject only to the Permitted Exceptions.

"**Unit**" means a residential rental unit within the Project.

"**Work Product**" has the meaning set forth in Section 24.21.

1.2 Interpretation. The following rules of construction will apply to this Agreement and the other OCII Documents.

(a) The masculine, feminine or neutral gender and the singular and plural forms include the others whenever the context requires. The word "include(s)" means "include(s) without limitation" and "include(s) but not limited to," and the word "including" means "including without limitation" and "including but not limited to" as the case may be. No listing of specific instances, items or examples in any way limits the scope or generality of any language in this Agreement. References to days, months and years mean calendar days, months and years unless otherwise specified. References to a party mean the named party and its successors and assigns.

(b) Headings are for convenience only and do not define or limit any terms. References to a specific OCII Document or other document or exhibit mean the document, together with all exhibits and schedules, as supplemented, modified, amended or extended from time to time in accordance with this Agreement. References to Articles, Sections and Exhibits refer to this Agreement unless otherwise stated.

(c) Accounting terms and financial covenants will be determined, and financial information must be prepared, in compliance with GAAP as in effect on the date of performance. References to any Law, specifically or generally, will mean the Law as amended, supplemented or superseded from time to time.

(d) The terms and conditions of this Agreement and the other OCII Documents are the result of arms'-length negotiations between and among sophisticated parties who were represented by counsel, and the rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not apply to the construction and interpretation of the OCII Documents. The language of this Agreement must be construed as a whole according to its fair meaning.

1.3 Websites for Statutory References. The statutory and regulatory materials listed below may be accessed through the following identified websites.

(a) CFR provisions: www.access.gpo/nara/cfr

(b) OMB circulars: www.whitehouse.gov/OMB/circulars

(c) S.F. Administrative Code: www.sfgov.org/site/government_index.asp#codes

ARTICLE 2 FUNDING.

2.1 Funding Amount. OCII agrees to lend to Borrower a maximum principal amount equal to the Funding Amount in order to finance predevelopment and development costs associated with the Project. Borrower hereby acknowledges that, upon execution of this Agreement, the prior note for the Predevelopment Loan Amount will be included within the Funding Amount, and is therefore subject to the repayment and all other provisions of the OCII Documents. The Additional Predevelopment Loan Amount and any previously undisbursed amounts of the Predevelopment Loan will be disbursed according to the terms and conditions of Section 4.1 of this Agreement. The Funding Amount less the portion of the Predevelopment Loan Amount disbursed prior to the date of this Agreement will be disbursed according to the terms and conditions, other than those in Section 4.1, as described in this Agreement.

2.2 Use of Funds. Borrower acknowledges that OCII's agreement to make the Loan is based in part on Borrower's agreement to use the Funds solely for the purpose set forth in Section 2.1 and agrees to use the Funds solely for that purpose in accordance with the approved Table of Sources and Uses and the Amended Table of Sources and Uses for Predevelopment.

2.3 Accounts; Interest. Each Account to be maintained by Borrower under this Agreement must be held in a bank or savings and loan institution acceptable to OCII as a segregated account that is insured by the Federal Deposit Insurance Corporation or other comparable federal insurance program. With the exception of tenant security deposit trust accounts, any interest earned on funds in any Account must be used for the benefit of the Project.

2.4 Records. Borrower must maintain and provide to OCII upon request records that accurately and fully show the date, amount, purpose and payee of all expenditures from each Account authorized under this Agreement or by OCII in writing and keep all estimates, invoices, receipts and other documents related to expenditures from each Account. In addition, Borrower must provide to OCII promptly following Borrower's receipt, complete copies of all monthly bank statements, together with a reconciliation for each Account until all funds (including accrued interest) in each Account have been disbursed for eligible uses.

2.5 Conditions to Additional Financing. OCII may grant or deny any application by Borrower for additional financing for the Project in its sole discretion; *provided that* any such application necessitated by an increase in costs of the manufacture of modular components of the Project beyond those established in Exhibit B hereto will be granted or denied in OCII's reasonable discretion.

2.6 Contracting Requirements. Borrower must comply with OCII's contract compliance requirements for on-site work, as set forth in Exhibit E of this Agreement. For Modular Work, Borrower must comply with OCII's Non-Discrimination in Contracts and Benefits policy as set forth in Exhibit E-4; and must exercise good faith efforts to comply with the Small Business Enterprise (SBE) Policy as set forth in Exhibit E-1.

2.7 Workforce Requirements. Borrower shall comply with OCII workforce requirements pursuant to Exhibits E-2 and E-3, including but not limited to OCII's Labor Standards and the Construction Workforce Agreement, as set forth in Exhibit E for all construction related work, with the exception of "**Modular Work**." For the purpose of this agreement "Modular Work" shall be limited to any off-Site work furnished by Factory OS pursuant to the terms of the Supply Agreement dated ________________ between Factory OS and Borrower's general contractor. Modular Work shall exclude any hauling and transportation of deliverables between Factory OS and the Site.

ARTICLE 3 TERMS AND PROVISIONS OF THE LOAN.

3.1 Term. The term of this Agreement shall commence on the Loan Closing Date and shall continue until the fifty-seventh (57th) anniversary of the date the Deed of Trust is recorded on Borrower's leasehold interest in the Site in the Official Records of the City and County of San Francisco (the "**Official Records**"), regardless of any reconveyance of the Deed of Trust (the "**Compliance Term**"). To ensure the Borrower's, or subsequent assignees', continued compliance with such obligations, the Deed of Trust shall be recorded in the Official Records upon execution of the Ground Lease. Moreover, Notwithstanding anything to the contrary in any OCII Document, if the failure of the Loan Closing to occur on or before twenty four (24) months from the date of this Agreement is not caused by Borrower's acts or omissions, whether direct or indirect, and if Borrower has acted in good faith and no event has occurred and is continuing that constitutes, or with the passage of time would constitute, an Event of Default under any of the OCII Documents, then in such an event, Borrower shall deliver to OCII all of the Work Product, the Note shall be deemed satisfied in full and Borrower shall be deemed to be released from all obligation or liability with respect to this Agreement and the Loan.

3.2 Interest. The outstanding principal balance of the Loan will bear simple interest at a rate of [one and one-half percent (1.5%)] per annum (subject to adjustment by the Final Financial Plan Confirmation Letter prior to the Loan Closing Date).

3.3 Loan Repayment Terms. Interest shall accrue, and repayment of principal and interest shall be paid from Surplus Cash in accordance with Section 3.6, below. Notwithstanding the foregoing, the outstanding principal balance and any accrued but unpaid interest of the Loan will be due and payable upon the expiration of the Compliance Term (herein the "**Maturity Date**"), according to the terms set forth in full in the Note. At least sixty (60) days prior to the Maturity Date, the Borrower may apply to OCII for an extension of the Maturity Date. In the event that, as of the date of such request the Borrower continues to be in compliance with the OCII Documents (including, without limitation, the Ground Lease), OCII may, in its discretion, agree to extend the Maturity Date pursuant to a written amendment to the Agreement and permit the Borrower to continue to defer repayment of principal and interest, or may require that the Borrower make amortized payments of principal and interest.

3.4 Declaration of Restrictions. Borrowers, and its assigns, must comply with all provisions of the OCII Documents relating to the use of the Site and the Project, as set forth in the Declaration of Restrictions, and any amended and restated versions of such declaration, to be recorded in the Official Records, for the duration of the Declaration of Restrictions, even if the Loan is repaid or otherwise satisfied, or the Deed of Trust is reconveyed. Notwithstanding anything to the contrary contained herein, Borrower's obligation to comply with the terms and obligations contained in the OCII Documents shall be subject to Borrower's compliance with all applicable laws, statutes and regulations, including, but not limited to Section 42 of the Internal Revenue Code, the California Revenue and Taxation Code, CDLAC's regulations, and TCAC's regulations.

3.5 Default Interest Rate. Upon the occurrence of an Event of Default under any OCII Document, the principal balance of the Loan will bear interest at the default interest compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, with such default interest rate commencing as of the date an Event of Default occurs and continuing until such Event of Default is fully cured. In addition, the default interest rate will apply to any amounts to be reimbursed to OCII under any OCII Document if not paid when due or as otherwise provided in any OCII Document.

3.6 Distribution of Surplus Cash and Repayment of Principal. Within one hundred twenty (120) days of the end of each fiscal year following the Completion Date, Borrower shall apply annual Project Income to pay Project Expenses and then to pay Project Fees. Any cash remaining after payment of Project Expenses and Project Fees shall be deemed Surplus Cash. Provided Borrower is not currently in default (subject to applicable notice and cure periods) under any terms of the OCII Documents including without limitation the Ground Lease, Borrower shall use Surplus Cash to make the following payments:

i. First to Base Rent Accrual (as defined in the Ground Lease) payments, if any;

ii. Second, to replenish the operating reserve account, if necessary, up to the amount required by Lenders or the Permitted Limited Partner;

iii. Third, in any LOSP Year, any unused funds will be placed in a Subsidy Reserve Account. In any year that is not a LOSP Year, two-thirds (2/3) of remaining Surplus Cash to OCII provided, however, if the Project includes a deferred developer fee and Borrower is in compliance with this Loan Agreement and MOHCD policies, then fifty percent (50%) of remaining Surplus Cash to OCII beginning on the initial Payment Date until and including the earlier of the year (i) of the fifteenth (15th) Payment Date, or (ii) in which all deferred developer fees have been paid to Borrower. OCII's portion of Surplus Cash will be applied first to Residual Rent (as defined in the Ground Lease), and if any Surplus Cash remains, to repayment of the Loan; and

iv. Then, any remaining Surplus Cash may be used by Borrower for any purposes permitted under the residual receipt policy governing the Property, as it may be amended from time to time.

3.7 Repayment of Unused Portion of Principal. In addition to any other payment requirements, within sixty (60) days after Borrower receives approval of its Internal Revenue Service Form 8609 from the California Tax Credit Allocation Committee, Borrower shall repay to OCII any portion of the Loan previously disbursed to Borrower and not used for eligible costs as described in this Agreement. No interest shall accrue on that portion of the Loan repaid pursuant to this Section 3.7.

3.8 Changes in Funding Streams. OCII's agreement to make the Loan on the terms set forth in this Agreement and the Note is based in part on Borrower's projected sources and uses for construction of the Project (including predevelopment activities and construction phase expenses), as set forth in the Table of Sources and Uses. Borrower covenants to give written notice to OCII within thirty (30) days of any significant changes in budgeted funding or income set forth in documents previously provided to OCII. OCII reserves the right, in its reasonable discretion, to modify the terms of this Agreement based upon any substantial reductions in Borrower's projected sources or substantial increase in Borrower's uses of all funds for the Project to the extent Borrower has not provided additional Project sources sufficient to cover any reductions in sources or increase in uses, which sources shall be acceptable to OCII in its reasonable discretion.

3.9 Additional OCII Approvals. Borrower understands and agrees that OCII is entering into this Agreement in its proprietary capacity and not as a regulatory agency with certain police powers. Borrower understands and agrees that neither entry by OCII into this Agreement nor any approvals given by OCII under this Agreement shall be deemed to imply that Borrower will obtain any required approvals from City departments, boards, or commissions that have jurisdiction over the Site. By entering into this Agreement, OCII is in no way modifying or limiting the obligations of Borrower to develop the Project in accordance with all local laws. Borrower understands that any development of the Site or the Project shall require approvals, authorizations and permits from governmental agencies with jurisdiction over the Project, which may include, without limitation, the City Planning Commission and the San Francisco Board of Supervisors. Notwithstanding anything to the contrary in this Agreement, no party is in any way limiting its discretion or the discretion of any department, board or commission with jurisdiction over the Project, including but not limited to a party hereto, from exercising any discretion available to such department, board or commission with respect thereto, including but not limited to the discretion to (i) make such modifications deemed necessary to mitigate significant environmental impacts, (ii) select other feasible alternatives to avoid such impacts, including the "No Project" alternative; (iii) balance the benefits against unavoidable significant impacts prior to taking final action if such significant impacts cannot otherwise be avoided, or (iv) determine not to proceed with the proposed Project Notwithstanding the above, on September 17, 1998, the Redevelopment Agency Commission adopted Resolution No. 182-98 which certified the Final Subsequent Environmental Impact Report ("FSEIR") for Mission Bay North and South pursuant to the California Environmental Quality Act ("CEQA") and State CEQA Guidelines Sections 15168 (Program EIR) and 15180 (Redevelopment Plan EIR). On the same date, the Redevelopment Agency Commission also adopted Resolution No. 183-98, which adopted environmental findings (and a statement of overriding considerations), in connection with the approval of the Plan and other Mission Bay project approvals (the "Mission Bay Project"). The San Francisco Planning Commission ("Planning Commission") certified the FSEIR by Resolution No. 14696 on the same date. On October 19, 1998, the Board of Supervisors adopted Motion No. 98-132 affirming certification of the FSEIR by the Planning Commission and the Agency, and Resolution No. 854-98 adopting environmental findings and a statement of overriding considerations for the Mission Bay Project.

3.10 Additional Borrower and General Partner Covenants. Borrower (and with respect to subsection (o), Mission Bay 9 LLC on behalf of itself and Borrower), hereby agrees to the following:

(a) Borrower acknowledges that the MOHCD Director and OCII Executive Director may, prior to Loan Closing with the agreement of Borrower, collectively approve and include as part of this Agreement revisions to the Final Financial Plan for the benefit of the Project, and Borrower shall cooperate with OCII, MOHCD, and their financial advisor in identifying such revisions.

(b) Borrower will cooperate and require the general contractor to exercise good faith efforts to select subcontractors who either are small business enterprises ("SBEs") or, if they are not SBEs, are willing to create joint ventures or similar partnership opportunities with SBEs.

(c) Final construction costs after receipt of bids are subject to OCII review and approval, prior to Loan Closing.

(d) Borrower will prepare and implement an updated outreach plan for the construction and operations phases of the Project. The plan and outreach efforts will engage the community to solicit input, address concerns, educate and establish long-term relationships with neighborhood residents and local organizations.

(e) Borrower will prepare an operating plan for the community garden. The plan will describe resident engagement, community outreach and participation, and describe potential partnerships for volunteer coordination and to assist with long-term maintenance.

(f) CHP will provide quarterly updates to OCII regarding progress in filling open positions, and improving asset management and final reporting procedures. Updates will continue until project close-out.

(g) An amount not to exceed $10,919,790 of the Loan may be disbursed prior to the close of construction financing. These funds may be disbursed for approved expenses as shown in Exhibit B-0.

(h) Unless otherwise permitted by OCII in its sole discretion, Borrower shall reduce or apply contingencies at pre-construction milestones to amounts approved by OCII, consistent with MOHCD policy/guidelines, and shall apply savings from the reduced contingencies to reduce the Loan by amount of unused contingency, or reduce the Loan amount prior to Loan Closing, and the total Loan amount will be so adjusted in the Final Financial Plan prior to the close of construction financing.

(i) In addition to the standard five percent (5%) hard cost contingency, Borrower may carry an additional contingency of one percent (1%) of hard costs to cover potential flaws or defects resulting from modular construction that are not otherwise covered. Use of this additional contingency is subject to express review and approval by the OCII Executive Director.

(j) Borrower will provide analysis and will allow OCII Executive Director to modify the interest rate between zero and three percent, if needed. Any modification will be documented in the Final Financial Plan.

(k) If directed by OCII, Borrower shall apply for rental subsidies and/or services funding through the San Francisco Continuum of Care Program (based on the Notice of Funds Available issued annually by the United States Department of Housing and Urban Development).

(l) Borrower shall submit an application for LOSP funding by the date shown in the Schedule of Performance in Exhibit L.

(m) Borrower shall submit an updated services plan and budget to HSH and OCII by the date shown in the Schedule of Performance in Exhibit L. Borrower will collaborate with both agencies to finalize the services plan and budget, and secure a contract with HSH for services funding.

(n) Upon project completion, Sponsors will establish evaluation metrics for the modular construction, including a cost and timeline comparison showing variations between modular and site built construction.

(o) Conditions for Mission Bay 9 LLC withdrawal from Partnership. Mission Bay 9 LLC shall not withdraw from the Partnership until the later of: (i) five years after OCII has issued the Certificate of Completion under the Ground Lease or (ii) all of the following conditions have been satisfied:

i. Provide evidence that the General Partners have applied for a property tax exemption for the Project with the California Board of Equalization (BOE) and the San Francisco Assessor and have diligently pursued obtaining approval of the exemption, including but not limited to timely responses to requests for information from the BOE and Assessor and requests to OCII for assistance in securing the exemption if needed;

ii. For five consecutive years beginning at the time the project receives its Certificate of Occupancy:

aa. Achieve and maintain an annual stabilized occupancy rate of 93%, provided that:

1. Occupancy will be calculated based on the average occupancy from the third anniversary of the Certificate of Occupancy through the fifth anniversary of Certificate of Occupancy (the first and second years following Certificate of Occupancy will not be included in the calculation); and
2. A vacant unit will not be counted in determining the average occupancy if the Sponsors can provide evidence that the referring agency did not provide a qualified referral within sixty (60) days from the property manager's initial request for a tenant referral (the "Referral Period"). During the Referral Period, the property manager must notify the referral agency within two (2) weeks of a referral that the referral does not include required documentation to demonstrate site-based and other program eligibility and provide the referral agency five (5) days to cure the deficiency or notify the referral agency of any referral who is denied admission to the Project due to missed appointments, violence toward property management employees, or other disqualification. The property manager will request a new referral within five business days if any referral is denied and make commercially reasonable efforts to screen replacement referrals within two weeks of such referral; and

bb. Provide evidence that initial required and annual deposits for replacement and operating reserves have been made in full.

(p) Borrower agrees to provide notice to OCII in accordance with Section 21.1 of the occurrence of any change or circumstance that: (a) will have an adverse effect on the physical condition or intended use of the Project; (b) causes the Loan to be out of balance; or (c) will have a material adverse effect on Borrower's operation of the Project or ability to repay the Loan.

ARTICLE 4 CLOSING; DISBURSEMENTS.

4.1 Disbursements of Additional Predevelopment Loan Amount

4.1.1 Generally. Subject to the terms of this Agreement, OCII will make Disbursements, prior to the Loan Closing, in an aggregate sum not to exceed any portion of the Predevelopment Loan undisbursed as of the date of this Agreement plus the Additional Predevelopment Loan Amount to or for the account of Borrower in accordance with this Agreement and the approved line item budget contained in the Amended Table of Sources and Uses for Predevelopment.

4.1.2 Conditions of Disbursement of the Remaining Predevelopment Loan and Additional Predevelopment Loan Amount.

(a) OCII will authorize the Disbursement of the remaining Predevelopment Loan and Additional Predevelopment Loan Amount upon satisfaction of the following preconditions:

i. The Funding Amount for the Additional Predevelopment Loan Amount is available for disbursement;

ii. Borrower must have delivered to OCII fully executed (and for documents to be recorded, acknowledged) originals of the following documents, in form and substance satisfactory to OCII: (i) a Promissory Note for the Funding Amount; (ii) an Amended Table of Sources and Uses for Predevelopment; (iv) this Agreement (in triplicate); (iv) an opinion of Borrower’s counsel in form and substance reasonably acceptable to OCII; (v) the Authorizing Resolutions; and (v) any other OCII Documents reasonably requested by OCII.

iii. Borrower must have delivered to OCII Borrower's Charter Documents.

iv. Borrower must have delivered to OCII insurance endorsements and, if requested by OCII, copies of policies for all insurance required under Exhibit F of this

Agreement.

v. Borrower will have reviewed the terms of the Loan with its tax counsel to determine if an interest rate that is less than three percent (3%) simple interest is necessary to satisfy the true debt test.

vi. Borrower must have delivered to OCII an Expenditure Request in form and substance satisfactory to OCII, together with: (i) copies of invoices, contracts or other documents covering all amounts requested; (ii) a line item breakdown of costs to be covered by the Expenditure Request; and (iii) copies of checks issued to pay expenses covered in the previous Expenditure Request. Any request from Borrower to reallocate Funds between the line items or to change the budget limits for a line item from what is shown in the Amended Table of Sources and Uses for Predevelopment must be approved as follows: (i) except for funds moved from the contingency line item to another line item, a requested reallocation of Funds in an amount up to ten percent (10%) of the Funding Amount in the aggregate may be made with the express written approval of OCII's Housing Manager; and (ii) except for funds moved from the contingency line item to another line item, a requested reallocation of Funds in an amount that exceed ten percent (10%) of the Funding Amount may be made only with the express written approval of the OCII Executive Director. Reallocations of Funds from contingency line items to other line items shall not require the consent of OCII. Any such approved changes will be considered amendments to the Table of Sources and Uses in the Final Financial Plan.

vii. No Event of Default, or event that with notice or the passage of time or both could constitute an Event of Default, may have occurred that remains uncured as of the date of the Expenditure Request.

viii. OCII shall use best efforts to either approve or disapprove each such Expenditure Request within ten (10) business days of receipt. In the event that OCII disapproves an Expenditure Request, OCII shall provide written notice thereof to Borrower specifying the reason for such disapproval. OCII shall use best efforts to fund all approved Expenditure Requests within five (5) business days of approval.

(ix) Exhibit I, the Modular Work Disbursement Procedure, provides additional requirements for the disbursement of funds for the payment of costs of the Modular Work. Any conflicts between Exhibit I and the foregoing paragraphs vi and viii of Section 4.1.2 shall be resolved in favor of Exhibit I.

4.1.3 Schedule of Performance. Borrower must perform in accordance with the Schedule of Performance (Exhibit L). The Schedule of Performance may be modified at the request of the Borrower; however, any modification to the Schedule of Performance shall be at the reasonable discretion of the OCII Executive Director.

4.1.4 Limitations on Approved Expenditures. OCII may refuse to approve any expenditure: (a) during any period in which an event that, with notice or the passage of time or both, would constitute an Event of Default remains uncured; or (b) for disapproved, unauthorized or improperly documented expenses. OCII is not obligated to approve expenditure of the full Funding Amount unless approved Expenditure Requests support disbursement of the full Funding Amount, and in no event may the aggregate amount of all Funds disbursed to Borrower under this Agreement exceed the Funding Amount.

4.2 Loan Closing and Disbursements

4.2.1 Generally. Subject to the terms of this Agreement, OCII will make Disbursements in an aggregate sum not to exceed the Funding Amount to or for the account of Borrower in accordance with this Agreement and the approved line item budget contained in the Table of Sources and Uses.

4.2.2 Closing. In the event Borrower does not satisfy all of the conditions to Loan Closing contained in Section 4.3(b) within twenty-four (24) months of the date of this Agreement, OCII may declare this Agreement to be null and void.

4.2.3 Conditions Precedent to Closing.

(a) OCII will authorize the Loan Closing upon satisfaction of the following preconditions:

i. The Funding Amount is available for disbursement on or immediately after the Loan Closing Date;

ii. Borrower must have delivered to OCII fully executed (and for documents to be recorded, acknowledged) originals of the following documents, in form and substance satisfactory to OCII: (i) the Note; (ii) this Agreement (in triplicate); (iii) an opinion of Borrower's counsel in form and substance reasonably acceptable to OCII; (iv) the Authorizing Resolutions; and (v) any other OCII Documents reasonably requested by OCII.

iii. Borrower must have delivered to OCII Borrower's Charter Documents.

iv. Borrower must have delivered to OCII insurance endorsements and, if requested by OCII, copies of policies for all insurance required under Exhibit F of this Agreement.

v. Borrower will have reviewed the terms of the Loan with its tax counsel to determine if an interest rate less than three percent (3%) simple interest is necessary to satisfy the true debt test.

(b) Borrower will authorize the Loan Closing upon satisfaction of the following preconditions:

i. Borrower shall have obtained, received or secured the following concerning Project financing, all on terms and in amounts acceptable to Borrower in its sole discretion: (1) a commitment for a loan or loans for Project development costs, made from the proceeds of the sale of tax-exempt bonds allocated to Borrower by the California Debt Limit Allocation Committee; (2) an allocation of four percent (4%) federal low income housing tax credits from TCAC pursuant to Section 42 of the Internal Revenue Code of 1986, as amended; (3) an allocation of California Low Income Housing Tax Credits from TCAC; (4) an equity investment in Borrower from a tax credit investor; and (5) additional Project financing from any other required lenders (collectively, the "Project Financing");

ii. the lenders and investors associated with the Project Financing are unconditionally prepared to close and fund their financing;

iii. Borrower and OCII shall have executed the Ground Lease and Borrower (subject to such limitations or reservations as may be referenced in the Ground Lease) has accepted the condition of the Site.

4.2.4 Disbursement of Funds. Following satisfaction of the conditions in Section 4.3, OCII will authorize the Escrow Agent to Disburse Funds as provided in OCII 's escrow instructions.

4.2.5 Disbursements. OCII's obligation to approve any expenditure of Funds on or after the Loan Closing Date is subject to Borrower's satisfaction of the following conditions precedent:

(a) Borrower must have delivered to OCII an Expenditure Request in form and substance satisfactory to OCII, together with: (i) copies of invoices, contracts or other documents covering all amounts requested; (ii) a line item breakdown of costs to be covered by the Expenditure Request; and (iii) copies of checks issued to pay expenses covered in the previous Expenditure Request. Any request from Borrower to reallocate Funds between the line items or to change the budget limits for a line item from what is shown in the Table of Sources and Uses must be approved as follows: (i) except for funds moved from the contingency line item to another line item, a requested reallocation of Funds in an amount up to ten percent (10%) of the Funding Amount in the aggregate may be made with the express written approval of OCII's Housing Manager; and (ii) except for funds moved from the contingency line item to another line item, a requested reallocation of Funds in an amount that exceed ten percent (10%) of the Funding Amount may be made only with the express written approval of the OCII Executive Director. Reallocations of Funds from contingency line items to other line items shall not require the consent of OCII. Any such approved changes will be considered amendments to the Table of Sources and Uses in the Final Financial Plan.

(b) No Event of Default, or event that with notice or the passage of time or both could constitute an Event of Default, may have occurred that remains uncured as of the date of the Expenditure Request.

(c) With respect to any Expenditure Request for rehabilitation or construction costs in the three-month and six-month construction draw requests, Borrower must have certified to OCII that all construction-related work on the Project (excluding the Modular Work as defined in Section 2.7) complies with the labor standards set forth in Exhibit E, Section 1, if applicable.

(d) OCII shall use best efforts to either approve or disapprove each such Expenditure Request within ten (10) business days of receipt. In the event that OCII disapproves an Expenditure Request, OCII shall provide written notice thereof to Borrower specifying the reason for such disapproval. OCII shall use best efforts to fund all approved Expenditure Requests within five (5) business days of approval.

(e) Exhibit I, the Modular Work Payment Procedure, provides additional requirements for the disbursement of funds for the payment of costs of the Modular Work. Any conflicts between Exhibit I and the foregoing paragraphs of Section 4.2.5 shall be resolved in favor of Exhibit I.

4.2.6 Schedule of Performance. Borrower must perform in accordance with the Schedule of Performance (Exhibit L). The Schedule of Performance may be modified at the request of the Borrower; however, any modification to the Schedule of Performance shall be at the reasonable discretion of the OCII Executive Director.

4.2.7 Retention. In addition to the other conditions to Disbursements, Borrower acknowledges that the amount of hard costs or tenant improvements costs included in any Expenditure Request associated with rehabilitation or construction, when added to previously approved costs, may not exceed ninety percent (90%) of the approved budgeted costs on a line item basis. OCII will retain the remaining ten percent (10%) of hard costs or tenant improvement costs associated with rehabilitation or construction (the "**Retention**"). Borrower may request disbursement of the aggregate amount of the Retention only upon satisfaction of each of the following conditions, unless otherwise approved in writing by OCII: (a) completion of rehabilitation or construction of the Project in accordance with the plans and specifications approved by OCII, as evidenced by a certificate of occupancy or equivalent certification provided by the City's Department of Building Inspection, and an architect's or engineer's certificate of completion; (b) timely recordation of a notice of completion; and (c) either expiration of the lien period and the absence of any unreleased mechanics' liens or stop notices or recordation of the lien releases of all contractors, subcontractors and suppliers who provided labor or materials for the Project.

After fifty percent (50%) of the construction of the Project is complete as determined by the OCII-assigned construction management specialist, and upon Borrower’s written request, OCII may elect to reduce the amount of Retention withheld to a level of no less than five percent (5%) of the hard costs or tenant improvements, provided that the following prerequisites have been met: (a) all work required to be performed by all parties for whom OCII agrees to release the Retention (the “**Early Retention Release Contractors**”) has been completed in conformance with the terms of the applicable contract documents, the plans and specifications approved by the

City and all applicable Laws; (b) the applicable Early Retention Release Contractors have filed unconditional lien waivers satisfactory to the OCII-assigned construction management specialist; (c) no liens or stop notices have been filed against the Project; (d) no claims against the Project are pending; (e) the OCII construction management specialist determines that the contingency is in balance and adequate to complete the Project; and (f) the Project is on schedule.

Borrower and OCII acknowledge that funds for the Modular Work disbursed in accordance with Exhibit I shall not be subject to the requirements of this Section.

4.8 Limitations on Approved Expenditures. OCII may refuse to approve any expenditure: (a) during any period in which an event that, with notice or the passage of time or both, would constitute an Event of Default remains uncured; or (b) for disapproved, unauthorized or improperly documented expenses. OCII is not obligated to approve expenditure of the full Funding Amount unless approved Expenditure Requests, including cumulative disbursements authorized under Exhibit I, support disbursement of the full Funding Amount, and in no event may the aggregate amount of all Funds disbursed to Borrower under this Agreement exceed the Funding Amount.

ARTICLE 5 DEMOLITION, REHABILITATION OR CONSTRUCTION.

5.1 Contracting Requirements. In the selection of all contractors and professional consultants for the Project, Borrower must comply with OCII's contract compliance requirements as further set forth in Exhibit E of this Agreement. For Modular Work, as defined in Section 2.7, Borrower must comply with OCII's Non-Discrimination in Contracts and Benefits as set forth in Exhibit E-4, and must exercise good faith efforts to comply with the Small Business Enterprise (SBE) Policy as set forth in Exhibit E-1.

5.2 Plans and Specifications. Before starting any demolition, rehabilitation or construction on the Site, Borrower must have delivered to OCII, and OCII must have reviewed and approved plans and specifications and the construction contract for the Project entered into between Borrower and Borrower's general contractor and approved by OCII (the "**Construction Contract**"). The plans approved by OCII must also be approved by the City's Department of Building Inspection or the California Department of Housing and Community Development for factory-built building portions (as collectively approved, the "**Approved Plans**") prior to the start of any demolition, rehabilitation or construction on the Site. The Approved Plans must be explicitly identified in the Construction Contract. The specifications approved by OCII, including the funder requirements and the technical specifications (the "**Approved Specifications**") must also be explicitly identified in the Construction Contract. The Construction Contract may include funder requirements not otherwise addressed in the Approved Specifications. After completion of the Project, Borrower must retain the Approved Plans as well as "as-built" plans for the Project, the Approved Specifications and the Construction Contract, all of which Borrower must make available to OCII upon request, except to the extent Factory OS reasonably asserts that such information or any portion thereof is exempt, Borrower or Factory OS obtains a judicial order finding such information, or any portion thereof, is exempt from disclosure under the California Public Records Act and OCII’s Public Records Policy.

5.3 Change Orders. Borrower may not approve or permit any change orders to the plans and specifications approved by OCII without OCII's prior written consent. Notwithstanding anything to the contrary in this Section 5.3, change orders for Modular Work are subject to the approval procedures established in Exhibit I. Borrower must provide adequate and complete backup documentation for analysis of the appropriateness of the change order request to OCII. Questions, comment or requests for additional information shall be issued by OCII within five (5) business days of receipt of change order request. OCII shall promptly review and use best efforts to approve or disapprove change order requests within ten (10) days of a complete submission by Borrower. If OCII disapproves the change order request, it shall specify the reasons for the disapproval in writing. Borrower acknowledges that OCII’s approval of any change order will not constitute an agreement to amend the Table of Sources and Uses or to provide additional Funds for the Project, unless OCII agrees in its sole discretion to amend the Table of Sources and Uses or provide additional Funds for that purpose. Any loan payments for change orders will not be paid through escrow or distributed to any contractor, subcontractor or supplier without the prior written approval of OCII and Borrower.

5.4 Insurance, Bonds and Security. Before starting any demolition, rehabilitation or construction on the Site, Borrower must deliver to OCII insurance endorsements and bonds as described in Exhibit F. At all times, Borrower must take prudent measures to ensure the security of the Site.

5.5 Notice to Proceed. No demolition, rehabilitation or construction on the Site may commence until Borrower has issued a written Notice to Proceed with OCII's approval.

5.6 Commencement and Completion of Project. Unless otherwise extended in writing by OCII, Borrower must: (a) commence construction of the Project by ________________, 2020; (b) complete demolition, and construction of the Project by ________________, 2021 (the "**Completion Date**"), in substantial accordance with the plans and specifications approved by OCII, as evidenced by a temporary certificate of occupancy or equivalent certification provided by the City's Department of Building Inspection, and an architect's or engineer's certificate of completion; and (c) achieve occupancy of ninety five percent (95%) of the residential units by ______________, 2022.

5.7 Construction Standards. All construction must be performed in a first class manner, substantially in accordance with final plans and specifications approved by OCII and in accordance with all applicable codes.

ARTICLE 6 MARKETING.

6.1 Tenant Selection Plan and Implementation.

(a) Tenant Selection Plan. In accordance with the timeline established in Exhibit L, Borrower shall submit, and thereafter obtain OCII approval of, Borrower’s LOSP Unit Tenant Selection Plan (“**Tenant Selection Plan**”) that is consistent with template provided as Exhibit T-

3. OCII shall have 20 business days from the date it receives Borrower's draft Tenant Selection Plan to review and approve the submission as consistent with this Agreement and the LOSP Guidelines or disapprove the submission. If OCII disapproves, it shall identify those inconsistencies with the provisions of this Agreement and the LOSP Guidelines that require correction so that Borrower may submit revised draft Tenant Selection Plan, so corrected, for approval. Once approved, Borrower must obtain OCII approval of any alterations to the Tenant Selection Plan. In the event that residential units in the Project are no longer LOSP Units, Borrower will comply with then current OCII and MOHCD standard procedures for conducting housing lotteries, rental lease-up activities, and wait list management.

(b) Implementation. Borrower must rent the Units in the manner set forth in the approved Tenant Selection Plan, and must commence lease-up activities no later than 180 days prior to the projected Completion Date. Before leasing any residential units, Borrower must provide OCII with updated implementation and contact information.

6.2 Marketing Records. Borrower must keep records of: (a) activities implementing the affirmative marketing plan, as applicable; (b) advertisements; and (c) other community outreach efforts.

ARTICLE 7 AFFORDABILITY AND OTHER LEASING RESTRICTIONS.

7.1 Term of Leasing Restrictions. Borrower acknowledges and agrees that the covenants and other leasing restrictions set forth in this Article will remain in full force and effect as provided in the Declaration of Restrictions attached hereto and recorded on the Loan Closing Date. If applicable, the requirements to comply with the provisions of Internal Revenue Code Section 42, including Section 42(h)(6)(E)(ii), are hereby acknowledged.

7.2 Borrower's Covenant.

(a) Borrower covenants to rent all Units (except one unit reserved for the manager of the Project) at all times to households certified as Qualified Tenants at initial occupancy, as set forth in Exhibit A.

(b) A Tenant who is a Qualified Tenant at initial occupancy may not be required to vacate the Unit due to subsequent rises in household income, except as provided in Section 7.3. After the over-income Tenant vacates the Unit, the vacant Unit must be rented only to Qualified Tenants as provided in Section 7.1.

7.3 Rent Restrictions.

(a) Rent charged to each Qualified Tenant may not exceed the amounts set forth in Exhibit A, *provided that* Rents may be adjusted (i) annually based on changes to the rents published annually by MOHCD and (ii) pursuant to Section B.2 of the Declaration of Restrictions, subject to the limitations below. The Rents for the initial year of lease-up of the Project shall be the rents published by MOHCD applicable to that initial year.

(b) Unless prohibited under any applicable Law or the rules and regulations governing any Project funding source (including without limitation the requirements of the regulatory agreement between Borrower and TCAC, which shall be recorded against the Project), 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.

(c) With OCII's prior written approval, Rent increases for residential units exceeding the amounts permitted under Section 7.3(a) may be permitted once annually in order to recover increases in approved Project Expenses, provided that: (i) in no event may single or aggregate increases exceed ten percent (10%) per year, unless such an increase is contemplated in an OCII-approved temporary relocation plan or is necessary due to the expiration of Section 8 or other rental or operating subsidies; and (ii) Rents for each Unit may in no event exceed the maximum Rent permitted under Section 7.3(a). City approval for such Rent shall not be unreasonably withheld.

(d) Unless prohibited under any applicable Laws, if the household income of a Qualified Tenant exceeds the maximum permissible income during occupancy of a Unit, then, upon no less than thirty (30) days' prior written notice to the Tenant or as otherwise required under the Tenant's lease or occupancy agreement, Borrower may adjust the charges for Rent for the previously Qualified Tenant to be equal to thirty percent (30%) of the Tenant's adjusted household income. Rents charged under this provision may exceed the Maximum Rent permitted under Section 7.3(a).

(e) For any Qualified Tenant participating in a Rent or operating subsidy program where the Rent charged is calculated as a percentage of household income, adjustments to Rent charged may be made according to the rules of the relevant subsidy program, provided that such adjustments remain consistent with Section 7.3(a) except that there shall be no limit on the number of Rent adjustments that can be made in a year under this subsection (e).

(f) For any Qualified Tenant that becomes ineligible to continue participating in a rent or operating subsidy program, Rent may be charged consistent with the maximum Rent permitted under Section 7.3(a).

7.4 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 Borrower a certification in the form shown in Exhibit C 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 to substantiate the prospective Tenant's income. Certifications provided to and accepted by the SFHA or applicable granting authority will satisfy this requirement.

(b) Each Qualified Tenant in the Project must recertify to Borrower on an annual basis his/her household income.

(c) Income certifications with respect to each Qualified Tenant who resides in a Unit or resided therein during the immediately preceding calendar year must be maintained on file at Borrower's principal office, and Borrower must file or cause to be filed copies thereof with OCII promptly upon request by OCII.

7.5 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. Borrower may not terminate the tenancy or refuse to renew any lease of a 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 Unit must be preceded by not less than thirty (30) days' written notice to the Tenant specifying the grounds for the action, unless a shorter notice period is permitted by law. Unless prohibited by any applicable law, or the rules and regulations governing any Project funding source, the form of lease for any 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. For any year that is a LOSP Subsidy Year, lease terms must comply with the LOSP Guidelines. Leases for all LOSP Units must include the then-current LOSP Adult Eligibility Requirements and Lease Addendum or similar LOSP document.

7.6 Nondiscrimination. Borrower covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this Agreement is made and accepted upon and subject to the following conditions: 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 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 leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Project nor shall Borrower, or any person claiming under or through Borrower, 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, subtenants, or vendees in the Project.

7.7 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.

ARTICLE 8 MAINTENANCE AND MANAGEMENT OF THE PROJECT.

8.1 Borrower's Responsibilities.

(a) Subject to the rights set forth in Section 8.2, Borrower will be specifically and solely responsible for causing all maintenance, repair and management functions performed in connection with the Project, including selection of tenants, recertification of income and household size, evictions, collection of rents, routine and extraordinary repairs and replacement of capital items. Borrower must maintain or cause to be maintained the Project, including the Units, and the common areas including the community garden, in a safe and sanitary manner in accordance with local health, building and housing codes, California Health and Safety Code 17920.10 and the applicable provisions of 24 CFR Part 35.

8.2 Contracting With Management Agent.

(a) Borrower may contract or permit contracting with a management agent for the performance of the services or duties required in Section 8.1(a), subject to OCII prior written approval of both the management agent and, at OCII discretion, the management contract between Borrower and the management agent, *provided, however,* that the arrangement will not relieve Borrower of responsibility for performance of those duties. Any management contract must contain a provision allowing Borrower to terminate the contract without penalty upon no more than thirty (30) days' notice. OCII hereby approves Community Housing Partnership, a California not-for-profit corporation, as the management agent for the Project.

(b) OCII will provide written notice to Borrower of any determination that the contractor performing the functions required in Section 8.1(a) has failed to operate and manage the Project in accordance with this Agreement. If the contractor has not cured the failure within a reasonable time period, as determined by OCII, Borrower must exercise its right of termination immediately and make immediate arrangements for continuous and continuing performance of the functions required in Section 8.1(a), subject to OCII approval.

8.3 Borrower Management. Borrower may manage the Project itself only with OCII's prior written approval. OCII will provide written notice to Borrower of any determination that Borrower has failed to operate and manage the Project in accordance with this Agreement, in which case, OCII may require Borrower to contract or cause contracting with a management agent to operate the Project, or to make other arrangements OCII deems necessary to ensure performance of the functions required in Section 8.1(a).

8.4 Supportive Services. Borrower is responsible for ensuring that residents or clients residing in the LOSP Units have access to appropriate case management, psychosocial supportive services, and other support services, as well as to health care, where required. For any person who requires more intensive care than can be provided at the Project, Borrower shall use its best efforts to locate or cause to be located, a care provider who can appropriately care for the individual and shall refer the individual to the care provider.

ARTICLE 9 GOVERNMENTAL REQUIREMENTS.

9.1 Borrower Compliance. Borrower must comply, and where applicable, require its contractors to comply, with all applicable Laws governing the use of Funds for the design, construction, rehabilitation and/or operation of the Project, including the requirements of the CRL, OPA, and those Laws set forth in Exhibit E . Borrower acknowledges that its failure to comply with any of these requirements will constitute an Event of Default under this Agreement. Subject to Section 23.1, this Section does not prohibit Borrower from contesting any interpretation or application of Laws in good faith and by appropriate proceedings.

ARTICLE 10 PROJECT MONITORING, REPORTS, BOOKS AND RECORDS.

10.1 Generally.

(a) Borrower understands and agrees that it will be monitored by OCII from time to time to assure compliance with all terms and conditions in this Agreement and all Laws. Borrower acknowledges that, if and after Borrower acquires Control of the Site, OCII may also conduct periodic on-site inspections of the Project provided access to the interior of any residential unit is preceded by no less than 48 hours' prior notice. Borrower must cooperate with the monitoring by OCII and ensure full access to the Project and all information related to the Project as reasonably required by OCII.

(b) Borrower must keep and maintain books, records and other documents relating to the receipt and use of all Funds. Borrower must maintain records of all income, expenditures, assets, liabilities, contracts, operations, tenant eligibility and condition of the Project. All financial reports must be prepared and maintained in accordance with GAAP as in effect at the time of performance.

(c) Borrower must provide written notice of the replacement of: the member or manager of its' general partner or the executive director, director of housing development, director of property management and/or any equivalent position within the sole member of the managing general partner, within thirty (30) days after the effective date of such replacement.

10.2 Monthly Reporting. Commencing upon the Loan Closing Date, Borrower must submit monthly reports (the "**OCII Monthly Project Update**") describing progress toward developing the Project with respect to obtaining necessary approvals from other City departments, procuring architects, consultants and contractors, changes in scope, cost or schedule and significant milestones achieved in the past month and expected to be achieved in the coming month. The OCII Monthly Project Update must be submitted by email in substantially the form attached hereto as Exhibit M through submission of Forms 8609.

10.3 Annual Reporting. Commencing upon the Completion Date, Borrower must file with OCII annual report forms (the "**Annual Monitoring Report**") that include audited financial statements with an income and expense statement for the Project covering the applicable reporting period, a statement of balances, deposits and withdrawals from all Accounts, line item statements of Project Expenses, Project Income, Project Fees (if any), Surplus Cash (if any) and any Distributions made, evidence of required insurance, a description of marketing activities and a rent roll, no later than one hundred twenty (120) days after the end of Borrower's fiscal year. The Annual Monitoring Report must be in substantially the form attached as Exhibit H or as later modified during the Compliance Term.

10.4 Capital Needs Assessment. Borrower must deliver to OCII, for its review and approval, an updated Capital Needs Assessment ("**CNA**") on or before the tenth (10th) anniversary of the Completion Date, and every five years thereafter. The updated CNA must include an analysis of Borrower's actual expenditures for capital needs compared to the most recently approved CNA, Borrower's 20-Year Proforma and initial Annual Operating Budget and its then-current Annual Operating Budget.

10.5 Project Completion Report. Within the specific time periods set forth below after the completion of rehabilitation or construction and the lease-up of the Project, Borrower must provide to OCII the reports listed below certified by Borrower to be complete and accurate. Subsequent to the required submission of the reports listed below, Borrower shall provide to OCII information or documents reasonably requested by OCII to assist in OCII's review and analysis of the submitted reports. To the extent not otherwise prohibited by applicable Law, Borrower shall provide the following reports:

(a) within one hundred eighty (180) days after the Completion Date, a project completion audit performed by an independent certified public accountant identifying the sources and uses of all Project funds including the Funds;

(b) within one hundred eighty (180) days after the Completion Date, a report on use of minority and women owned enterprises including race/ethnicity or gender, the type of work and the dollar value of such work;

(c) within thirty (30) days after seventy-five percent (75%) occupancy, and one hundred percent (100%) occupancy, respectively, a report on the lease-up of the Units including number of leases by race, ethnicity and single-headed household by gender, also indicating the residential units by income category; and

10.6 Response to Inquiries. At the request of OCII, its agents, employees or attorneys, Borrower must respond promptly and specifically to questions relating to the income, expenditures, assets, liabilities, contracts, operations and condition of the Project, the status of any mortgage encumbering the Project and any other requested information with respect to Borrower or the Project.

10.7 Delivery of Records. At the request of OCII, made through its agents, employees, officers or attorneys, Borrower must provide OCII within a reasonable period of time of no less than sixty (60) days from request therefor with copies of each of the following documents, certified in writing by Borrower to be complete and accurate:

(a) all tax returns filed with the United States Internal Revenue Service, the California Franchise Tax Board and/or the California State Board of Equalization on behalf of Borrower and any general partner or manager of Borrower;

(b) all previously prepared certified financial statements of Borrower and, if applicable, its general partner or manager, the accuracy of which must be certified by an auditor satisfactory to OCII; and

(c) any other records related to Borrower's ownership structure and the use and occupancy of the Site.

10.8 Access to Other Project Books and Records. In addition to Borrower's obligations under Sections 2.4, 10.1, 10.2, and 10.3, any other obligations to provide reports or maintain records in this Agreement or any other OCII Document, Borrower agrees that duly authorized representatives of OCII (which shall include but not be limited to MOHCD staff) will have access to and the right to inspect, copy, audit and examine all books, records and other documents Borrower is required to keep at all reasonable times, following reasonable notice, for the retention period required under Section 10.9.

10.9 Records Retention. Borrower must retain all records required for the periods required under applicable Laws.

ARTICLE 11 USE OF INCOME FROM OPERATIONS.

11.1 Project Operating Account.

(a) Borrower must deposit all Project Income promptly after receipt into a segregated depository account (the "**Project Operating Account**") established exclusively for the Project. Withdrawals from the Project Operating Account may be made only in accordance with the provisions of this Agreement and the approved Annual Operating Budget, as it may be revised from time to time with OCII's approval. Borrower may make withdrawals from the Project Operating Account solely for the payment of Project Expenses and Project Fees and payments and distributions of Surplus Cash in accordance with Section 3.5. Withdrawals from the Project Operating Account (including accrued interest) for any other purposes may be made only with OCII's express prior written approval.

(b) Borrower must keep accurate records indicating the amount of Project Income deposited into and withdrawn from the Project Operating Account and the use of Project Income. Borrower must provide copies of the records to OCII upon request.

ARTICLE 12 REQUIRED RESERVES.

12.1 Replacement Reserve Account.

(a) Commencing no later than sixty (60) days after the Conversion Date or any other date OCII reasonably designates in writing, Borrower shall establish or cause to be established a segregated interest-bearing replacement reserve depository account (the "**Replacement Reserve Account**"). On or before the 15th day of each month following establishment of the Replacement Reserve Account, Borrower must make monthly deposits from Project Income into the Replacement Reserve Account in the amount necessary to meet the requirements of this Section. OCII may review the adequacy of deposits to the Replacement Reserve Account periodically and require adjustments as it deems necessary.

(b) Monthly deposits must equal one-twelfth of the sum of $500 per Unit, per year in accordance the Loan Committee approval dated March 6, 2020, or such other amount as approved by MOHCD Director and OCII Executive Director as part of the Final Financial Plan Confirmation Letter prior to the Loan Closing Date, provided that should such approved amount be greater than one-twelfth of the sum of $500 per Unit, such additional sum shall be made from available Surplus Cash.

(c) Borrower may withdraw funds from the Replacement Reserve Account solely to fund capital improvements for the Project, such as replacing or repairing structural elements, furniture, fixtures or equipment of the Project that are reasonably required to preserve the Project. Borrower may not withdraw funds (including any accrued interest) from the Replacement Reserve Account for any other purpose without OCII's prior written approval which shall not be unreasonably withheld, conditioned or delayed.

12.2 Operating Reserve Account.

(a) Commencing no later than sixty (60) days after the Conversion Date, Borrower must establish or cause to be established a segregated interest-bearing operating reserve depository account (the "**Operating Reserve Account**") by depositing funds in an amount equal to three months of the Annual Operating Budget attached hereto as Exhibit B-2 (subject to modification by the Final Financial Plan Confirmation Letter).

(b) No less than annually after establishing the Operating Reserve Account and continuing until the Compliance Term has expired, Borrower must make additional deposits, if necessary, to bring the balance in the Operating Reserve Account to an amount equal to the original deposit amount in Section 12.2(a).

(c) Borrower may withdraw funds from the Operating Reserve Account solely to alleviate cash shortages resulting from unanticipated and unusually high maintenance expenses, seasonal fluctuations in utility costs, abnormally high vacancies, other expenses that vary seasonally or from month to month in the Project and reductions in operating subsidy. Borrower may not withdraw funds (including any accrued interest) from the Operating Reserve Account for any other purpose without OCII's prior written approval.

12.3 Settlement Reserve Account.

(a) Upon the later to occur of: (x) Borrower's tax credit equity investor's final capital contribution, or (y) sixty (60) days after the Conversion Date , Borrower must establish or cause to be established a segregated interest-bearing settlement reserve depository account (the "**Land Settlement Reserve Account**") by depositing funds in an amount equal to TWO HUNDRED FIFTY THOUSAND DOLLARS ($250,000).

(b) Borrower may withdraw funds from the Land Settlement Reserve Account solely to fund capital improvements for the Project, such as replacing or repairing structural elements, ramps and entries, landscape elements, furniture, fixtures, or equipment of the Project that have been damaged or impaired as a result of soil settlement and are reasonably required to preserve usability and accessibility of the Project; however, Borrower may not withdraw funds (including any accrued interest) from the Land Settlement Reserve Account at any time within the first seven (7) years of Project operation without the prior written approval of OCII or MOHCD. Borrower may not withdraw funds (including any accrued interest) from the Land Settlement Reserve Account for any other purpose without OCII's prior written approval, which shall not be unreasonable withheld, conditioned, or delayed.

(c) In the event that funds remain in the Land Settlement Reserve Account at the end of the tax credit compliance period, Borrower shall return the remaining balance of the Land Settlement Reserve Account to OCII, unless there is a verified need to retain the reserve, subject to OCII's review and approval. Upon such return, the returned amount shall be credited as a partial repayment of the Loan.

12.3 Subsidy Reserve Account. Upon the later to occur of: (x) Borrower's tax credit investor's final capital contribution, or (y) sixty (60) days after the Completion Date, Borrower must establish or cause to be established and maintain a segregated account for the purpose of maintaining LOSP funds that were not used during a given LOSP Subsidy Year to be used in the next LOSP Subsidy Year. The account must be established in a bank or savings and loan institution acceptable to OCII as a segregated account insured by the Federal Deposit Insurance Corporation or other comparable federal insurance program, and used only for those purposes that are approved by LOSP.

ARTICLE 13 DISTRIBUTIONS.

13.1 Definition. "Distributions" refers to cash or other benefits received as Project Income from the operation of the Project and available to be distributed to Borrower, its partners or any party having a beneficial interest in the Project as Surplus Cash, but does not include reasonable payments for property management, asset management, partnership management, Developer Fees, or other services performed in connection with the Project.

13.2 Conditions to Distributions. The 20-Year Cash Flow Proforma attached hereto as Exhibit B-3 includes projections of annual Distributions of Surplus Cash. Exhibit B-3 is not intended to impose limits on the amounts to be annually distributed. Distributions for a particular fiscal year may be made only following: (a) OCII approval of the Annual Monitoring Report submitted for that year; (b) OCII's determination that Borrower is not in default under this Agreement or any other agreement entered into with the City and County of San Francisco or OCII for the Project; and (c) OCII's determination that the amount of the proposed Distribution satisfies the conditions of this Agreement, including, but not limited to Section 4.1. OCII will be deemed to have approved Borrower's written request for approval of a proposed Distribution unless OCII delivers its disapproval or request for more information to Borrower within thirty (30) business days after OCII's receipt of the request for approval.

13.3 Prohibited Distributions. No Distribution may be made in the following circumstances:

(a) when a written notice of default has been issued to Borrower by any entity with an equitable or beneficial interest in the Project and the default is not cured within the applicable cure periods; or

(b) when OCII has delivered a written notice of default to Borrower for a failure to comply with this Agreement and such default has not been remedied, or when OCII determines that Borrower's management agent has failed to comply with this Agreement and such failure has not been remedied; or

(c) if required debt service on all loans secured by the Project and all operating expenses have not been paid current; or

(d) if the Replacement Reserve Account, Operating Reserve Account or any other reserve account required for the Project is not fully funded under this Agreement when required; or

(e) if the Loan is to be repaid from Surplus Cash, Borrower failed to make a payment when due and the sum remains unpaid; or

(f) during the pendency of an uncured Event of Default (including Borrower's failure to provide its own funds at any time OCII determines the Loan is out of balance under any OCII Document.

13.4 Distributions of Surplus Cash. Distributions of Surplus Cash shall be made in accordance with Section 3.6.

ARTICLE 14 SYNDICATION PROCEEDS AND GENERAL PARTNER EQUITY.

14.1 Distribution and Use. If Borrower is a limited partnership or limited liability company, and unless otherwise approved by OCII in writing, Borrower must allocate, distribute and pay or cause to be allocated, distributed and paid all net syndication proceeds and all loan and grant funds as specified in the Table of Sources and Uses. Borrower must notify OCII of the receipt and disposition of any net syndication proceeds received by Borrower during the term of this Agreement.

14.2 General Partner Equity. In addition to the syndication proceeds, the General Partner shall be unconditionally obligated to contribute Five Hundred Thousand Dollars ($500,000) to the Borrower.

ARTICLE 15 DEVELOPER FEES.

15.1 Amount. OCII has approved the payment of fees to the Developer in an aggregate amount not to exceed Three Million One Hundred Ten Thousand Dollars ($3,110,000) ("**Developer Fees**"), to be paid in accordance with the Developer Fee Schedule attached hereto as Exhibit N. The Developer Fee are comprised of the following:

(a) an amount not to exceed One Million One Hundred Thousand Dollars ($1,100,000), for the predevelopment and construction periods of the Project (the "**Project Management Fee**");

(b) an additional amount not to exceed One Million Five Hundred Ten Thousand Dollars ($1,510,000) that is at-risk to the extent needed to fund cost overruns if total development costs exceed estimated development costs shown in the Final Financial Plan (the "**At-Risk Fee**");

(c) an additional amount not to exceed Five Hundred Thousand Dollars ($500,000), which timing of release is subject to the approval of OCII staff and the Investor Limited Partner (the "**Additional Allowable Fee**").

Any Developer Fee not paid as contemplated above may be paid as deferred fee, subject to approval by OCII, and payable only from surplus cash pursuant to Section 3.6. Under no circumstance will any deferred fee be considered a Project Expense.

ARTICLE 16 TRANSFERS.

16.1 Permitted Transfers/Consent. Borrower may not cause or permit any voluntary transfer, assignment or encumbrance of its interest in the Site or Project or of any ownership interests in Borrower, or lease or permit a sublease on all or any part of the Project, other than: (a) leases subleases, or occupancy agreements with occupants of the residential units; (b) security interests for the benefit of lenders securing loans for the Project as approved by OCII on terms and in amounts as approved by OCII in its reasonable discretion; (c) transfers from Borrower to a limited partnership or limited liability company formed for the tax credit syndication of the Project, where the Borrower or an affiliated nonprofit public benefit corporation is the sole general partner or manager of that entity or is the manager of a limited liability company that is the sole general partner or manager of that entity; (d) transfers of the general partnership or manager's interest in Borrower to a nonprofit public benefit corporation approved in advance by Landlord; (e) transfers of any limited partnership or membership interest in Borrower to an investor under the tax credit syndication of the Project and transfers of said limited partner interest in Borrower to affiliates of the Permitted Limited Partner in accordance with the terms of the Borrower's partnership agreement; (f) the grant or exercise of an option agreement between Borrower and Borrower's general partner or manager or any of its affiliates in connection with the tax credit syndication of the Project where such agreement has been previously approved in writing by Landlord; or (g) the withdrawal of Mission Bay 9, LLC from the Partnership in accordance with Section 3.10(o). Any other transfer, assignment, encumbrance or lease without OCII's prior written consent will be voidable and, at OCII's election, constitute an Event of Default under this Agreement. OCII's consent to any specific assignment, encumbrance, lease or other transfer will not constitute its consent to any subsequent transfer or a waiver of any of OCII's rights under this Agreement. Notwithstanding the foregoing, the transfer or assignment of any interests in the Borrower's limited partners pursuant to the terms of the Partnership

Agreement shall not require the consent of the Lender and shall not constitute a default under any of the Loan Documents. OCII's rights under this Agreement.

ARTICLE 17 INSURANCE AND BONDS.

17.1 Borrower's Insurance. Subject to approval by OCII of the insurers and policy forms, Borrower must obtain and maintain, or cause to be obtained and maintained, insurance and bonds as set forth in Exhibit F commencing with Loan Closing and thereafter for the term of the Ground Lease, at no expense to OCII.

ARTICLE 18 GOVERNMENTAL APPROVALS.

18.1 Compliance. Borrower covenants that it has obtained or will obtain in a timely manner and comply with all federal, state and local governmental approvals required by Law to be obtained for the Project. Subject to Section 23.1, this Section does not prohibit Borrower from contesting any interpretation or application of Laws in good faith and by appropriate proceedings.

ARTICLE 19 DEFAULT.

19.1 Event of Default. Any material breach by Borrower of any covenant, agreement, provision or warranty contained in this Agreement or in any of the OCII Documents that remains uncured upon the expiration of any applicable notice and cure periods contained in any OCII Document, including without limitation, Section 19.2 hereof, will constitute an "Event of Default," including the following:

(a) Borrower fails to make any payment required under this Agreement within fifteen (15) days after the date when due; or

(b) On or after the Loan Closing Date, any lien is recorded against all or any part of the Site or the Project (including for purposes of this provision Borrower’s leasehold interest in the Site) without OCII's prior written consent, whether prior or subordinate to the lien of the Deed of Trust or Declaration of Restrictions, or suffers any levy or attachment, or any material supplier’s or mechanic’s lien or the attachment of any other unauthorized encumbrance or lien, and the taxes or assessments have not been paid, or the encumbrance or lien removed or discharged within the time period provided in Article 18 of the Ground Lease; provided, however, that Borrower has the right to contest any tax or assessment on or before the contested tax or assessment otherwise comes due, or to contest any encumbrance or lien within thirty (30) days following written notice from OCII of the imposition of said, encumbrance or lien, as further provided in Articles 15 and 18 of the Ground Lease; or

(c) Borrower fails to perform or observe any other term, covenant or agreement contained in any OCII Document, and the failure continues for thirty (30) days after Borrower's receipt of written notice from OCII to cure the default, or, if the default cannot be cured within a 30-day period, Borrower will have sixty (60) days to cure the default, or any longer period of time deemed necessary by OCII, *provided that* Borrower commences to cure the default within the 30-day period and diligently pursues the cure to completion; or

(d) Any representation or warranty made by Borrower in any OCII Document proves to have been incorrect in any material respect when made; or

(e) On or after the Loan Closing Date, all or a substantial or material portion of the Project is damaged or destroyed by fire or other casualty, and, if the Borrower has elected to restore as provided in Article 20 of the Ground Lease, such restoration has not been completed as provided in and in accordance with the Ground Lease and Deed of Trust within two (2) years of the receipt of insurance proceeds (or such longer period as may be agreed by Borrower and OCII); or all or a substantial portion of the improvements is condemned, seized or appropriated by any non-City Governmental Agency which prevents the Project from being operated for its intended purpose;

(f) Borrower is dissolved or liquidated or merged with or into any other entity; or, if Borrower is a corporation, partnership, limited liability company or trust, Borrower ceases to exist in its present form (unless otherwise approved pursuant to Article 16) and (where applicable) in good standing and duly qualified under the laws of the jurisdiction of formation and California for any period of more than ten (10) days; or, if Borrower is an individual, Borrower dies or becomes incapacitated; or all or substantially all of the assets of Borrower are sold or otherwise transferred except as permitted under Section 16.1; or

(g) Without OCII's prior written consent as required under the terms of this Agreement, Borrower assigns or attempts to assign any rights or interest under any OCII Document, whether voluntarily or involuntarily, except as permitted under Section 16.1; or

(h) Without OCII's prior written consent, Borrower voluntarily or involuntarily assigns or attempts to sell, lease, assign, encumber or otherwise transfer all or any portion of the ownership interests in Borrower except as permitted under Article 16; or

(i) Without OCII’s prior written consent, Borrower transfers, or authorizes the transfer of, funds in any of the Accounts required or authorized under this Agreement; or

(j) On or after the Loan Closing Date, either the Deed of Trust or the Declaration of Restrictions ceases to constitute a valid and indefeasible perfected lien on both or either the Project and/or Borrower’s leasehold interest in the Site, subject only to Permitted Exceptions; or

(k) Borrower is subject to an order for relief by the bankruptcy court, or is unable or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors; or Borrower applies for or consents to the appointment of any receiver, trustee or similar official for Borrower or for all or any part of its property (or an appointment is made without its consent and the appointment continues undischarged and unstayed for sixty (60) days); or Borrower institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceeding relating to Borrower or to all or any part of its property under the laws of any jurisdiction (or a proceeding is instituted without its consent and continues undismissed and unstayed for more than sixty (60) days); or any judgment, writ, warrant of attachment or execution or similar process is issued or levied against the Site, Borrower's leasehold interest therein, the Project or any other property of Borrower and is not released, vacated or fully bonded within sixty (60) days after its issue or levy; or

(l) Any material adverse change occurs in the financial condition or operations of Borrower, such as a loss of services funding or rental subsidies, that has a material adverse impact on the Project; or

(m) Borrower fails to make any payments or disbursements required to bring the Loan in balance after OCII determines that the Loan is out of balance; or

(n) On or after the Loan Closing Date and before a certificate of occupancy is issued for the Project, Borrower ceases rehabilitation or construction of the Project for a period of fifteen (15) consecutive working days, and the cessation is not excused under <u>Section 19.4</u>; or

(o) Borrower is in default of its obligations with respect to any funding obligation (other than the Loan) for the Project, and the default remains uncured following the expiration of any applicable cure periods; or

(p) Borrower is in default of its obligations under any other agreement entered into with OCII or the City and County of San Francisco, and the default remains uncured following the expiration of any applicable cure periods.

19.2 <u>Notice and Cure Rights of Investor Limited Partner</u>. If an Event of Default occurs, or an event occurs that, with notice or the passage of time, or both, could constitute an Event of Default, OCII shall give Investor Limited Partner the same written notice given to the Borrower as required in this Agreement. Investor Limited Partner shall have the right, but not the obligation, to cure defaults within the time periods provided to Borrower herein. With respect to any right of cure provided herein, performance of a cure by Investor Limited Partner shall have the same effect as would like performance by Borrower. Unless OCII is otherwise notified, notices to Investor Limited Partner shall be sent to the address provided in <u>Section 21.1</u> below.

19.3 <u>Remedies</u>. During the pendency of an uncured Event of Default, OCII may exercise any right or remedy available under this Agreement or any other OCII Document or at law or in equity. All of OCII's rights and remedies following an Event of Default are cumulative, including:

(a) OCII at its option may declare the unpaid principal balance of the Note, together with default interest as provided in the Note and any other charges due under the Note and the other OCII Documents, immediately due and payable without protest, presentment, notice of dishonor, demand or further notice of any kind, all of which Borrower expressly waives.

(b) OCII at its option may terminate all commitments to make Disbursements, or, without waiving the Event of Default, OCII may determine to make further Disbursements upon terms and conditions satisfactory to OCII in its sole discretion.

(c) OCII may perform any of Borrower's obligations in any manner, in OCII's reasonable discretion.

(d) OCII may terminate this Agreement.

(e) OCII, either directly or through an agent or court-appointed receiver, may take possession of the Project and enter into contracts and take any other action OCII deems appropriate to complete or construct all or any part of the improvements, subject to modifications and changes in the Project OCII deems appropriate.

(e) OCII may apply to any court of competent jurisdiction for specific performance, or an injunction against any violation, of this Agreement or for any other remedies or actions necessary or desirable to correct Borrower's noncompliance with this Agreement.

(f) Upon the occurrence of an Event of Default described in Section 19.1(k), the unpaid principal balance of the Note, together with default interest as provided in the Note and any other charges due under the Note and the other OCII Documents, will become due and payable automatically.

(g) All costs, expenses, charges and advances of OCII in exercising its remedies or to protect the Project will be deemed to constitute a portion of the principal balance of the Note, even if it causes the principal balance to exceed the face amount of the Note, unless Borrower reimburses OCII within ten (10) days of OCII’s demand for reimbursement.

19.4 Force Majeure. The occurrence of any of the following events will excuse performance of any obligations of OCII or Borrower rendered impossible to perform while the event continues: strikes; lockouts; labor disputes; acts of God; inability to obtain labor, materials or reasonable substitutes for either; governmental restrictions, regulations or controls; judicial orders; enemy or hostile governmental actions; civil commotion; fire or other casualty and other causes beyond the control of the party obligated to perform. The occurrence of a force majeure event will excuse Borrower's performance only in the event that Borrower has provided notice to OCII within thirty (30) days after the occurrence or commencement of the event or events, and Borrower's performance will be excused for a period ending thirty (30) days after the termination of the event giving rise to the delay.

ARTICLE 20 <u>REPRESENTATIONS AND WARRANTIES</u>.

20.1 <u>Borrower Representations and Warranties</u>. As a further inducement for OCII to enter into this Agreement, Borrower represents and warrants as follows:

(a) The execution, delivery and performance of the OCII Documents will not contravene or constitute a default under or result in a lien upon assets of Borrower under any applicable Law, any Charter Document of Borrower or any instrument binding upon or affecting Borrower, or any contract, agreement, judgment, order, decree or other instrument binding upon or affecting Borrower.

(b) When duly executed, the OCII Documents will constitute the legal, valid and binding obligations of Borrower. Borrower hereby waives any defense to the enforcement of the OCII Documents related to alleged invalidity of the OCII Documents.

(c) To Borrower's knowledge, no action, suit or proceeding is pending or threatened that might affect Borrower or the Project adversely in any material respect.

(d) To Borrower's knowledge, Borrower is not in default under any agreement to which it is a party, including any lease of real property.

(e) None of Borrower, Borrower's principals or Borrower's general contractor has been suspended or debarred by the Department of Industrial Relations or any Governmental Agency, nor has Borrower, any of its principals or its general contractor been suspended, disciplined or prohibited from contracting with any Governmental Agency.

(f) All statements and representations made by Borrower in connection with the Loan remain true and correct as of the date of this Agreement.

ARTICLE 21 <u>NOTICES</u>.

21.1 <u>Written Notice</u>. All notices required by this Agreement must be made in writing and may be communicated by personal delivery or by United States certified mail, postage prepaid, return receipt requested. Delivery will be deemed complete as of the earlier of actual receipt (or refusal to accept proper delivery) or five (5) days after mailing, *provided that* any notice that is received after 5 p.m. on any day or on any weekend or holiday will be deemed to have been received on the next succeeding business day. Notices must be addressed as follows:

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 Borrower:	Mission Bay 9 LP c/o BRIDGE Housing Corporation 600 California Street, #900 San Francisco, CA 94108 Attn: President & Chief Executive Officer
	Mission Bay 9 LP c/o Community Housing Partnership 20 Jones Street San Francisco, CA 94102 Attn: Chief Executive Officer
With a copy to:	NEF Assignment Corporation, as nominee 10 South Riverside Plaza, Suite 1700 Chicago, Illinois 60606 Attention: General Counsel
And:	Squire Patton Boggs (US) LLP 2000 Huntington Center 41 South High Street Columbus, OH 43215 Attention: Thomas F. Kibbey

or any other address a party designates from time to time by written notice sent to the other party in manner set forth in this Section.

21.2 Required Notices. See Section 3.10(p).

ARTICLE 22 HAZARDOUS SUBSTANCES.

22.1 Borrower's Representations. Except as disclosed in that certain Final Phase I Environmental Site Assessment Report Mission Bay Block 9 San Francisco, California dated October 31, 2018 ("**Phase I**") and that certain Site Characterization Report San Francisco Department Of Public Health's Article 22a Compliance Mission Bay Block 9 San Francisco, California dated December 13, 2018 ("**Phase II**"), which Phase I and Phase II were delivered to OCII, and all historic reports and records referenced therein, Borrower represents and warrants to OCII, to the extent applicable, that, to the best of Borrower's actual knowledge, without independent investigation or inquiry as of the date of this Agreement, the following statements are true and correct: (a) the Site is not in violation of any Environmental Laws; (b) the Site is not now, nor has it been, used for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Substances, except in limited quantities customarily used in residences and offices and in compliance with Environmental Laws; (c) the Site does not consist of any landfill or contain any underground storage tanks; (d) the improvements on the Site do not consist of any asbestos-containing materials or building materials that contain any other Hazardous Substances; (e) no release of any Hazardous Substances in the improvements on the Site has occurred or in, on, under or about the Site; and (f) the Site is not subject to any claim by any Governmental Agency or third party related to any Environmental Activity or any inquiry by any Governmental Agency (including the California Department of Toxic Substances Control and the Regional Water Quality Control Board) with respect to the presence of Hazardous Substances in the improvements on the Site or in, on, under or about the Site, or the migration of Hazardous Substances from or to other real property.

22.2 Covenant. Unless OCII otherwise consents in writing, at all times from and after the date of this Agreement, at its sole expense, Borrower must: (a) comply with all applicable Environmental Laws relating to the Site and the Project, and not engage in or otherwise permit its agents to cause the occurrence of any Environmental Activity in violation of any applicable Environmental Laws or that is not customary and incidental to the intended use of the Site, *provided that* nothing contained in this Section will prevent Borrower from contesting, in good faith and by appropriate proceedings, any interpretation or application of Environmental Laws; and (b) deliver to OCII notice of the discovery by Borrower of any Environmental Activity on the Site promptly following Borrower's discovery.

ARTICLE 23 INDEMNITY.

23.1 Borrower's Obligations. Borrower must Indemnify OCII, the City, and their respective officers, agents and employees (individually or collectively, an "**Indemnitee**") against any and all Losses arising out of: (a) any default by Borrower in the observance or performance of any of Borrower's obligations under the OCII Documents (including those covenants set forth in Article 22 above); (b) any failure of any representation by Borrower to be correct in all respects when made; (c) injury or death to persons or damage to property or other loss occurring on or in connection with the Site or the Project, whether caused by the negligence or any other act or omission of Borrower or any other person or by negligent, faulty, inadequate or defective design, building, construction, rehabilitation or maintenance or any other condition or otherwise, but only to the extent such event (x) occurs on or after Loan Closing and (y) arises directly or indirectly from Borrower’s (or its agents) activities on the Site; (d) any claim of any surety in connection with any bond relating to the construction or rehabilitation of any improvements or offsite improvements performed by Borrower or its agents; (e) any claim, demand or cause of action, or any action or other proceeding (including without limitation those made by third-parties), whether meritorious or not, brought or asserted against any Indemnitee that relates to or arises out of the OCII Documents, the Loan, Borrower’s (or its agents) activities on the Site or Borrower’s (or its agents’ or contractors’) construction of the Project, or any transaction contemplated by, or the relationship between Borrower and OCII or Borrower and the City; (f) the occurrence, before the expiration of the term of this Agreement, of any Environmental Activity arising directly or directly from Borrower's (or its agents) activities on the Site or any failure of Borrower or any other person to comply with all applicable Environmental Laws relating to Borrower's (or its agents) activities on the Project or the Site; (g) the occurrence, after the termination of this Agreement, of any Environmental Activity resulting directly or indirectly from any Environmental Activity occurring before the termination of this Agreement relating to Borrower's (or its agents) activities on the Project or the Site; (h) any liability of any nature arising from Borrower's contest of or relating to the application of any Law, including any contest permitted under Sections 9.1**,** 18.1 and 22.1; or (i) any claim, demand or cause of action, or any investigation, inquiry, order, hearing, action or other proceeding by or before any Governmental Agency, whether meritorious or not, that directly or indirectly relates to, arises from or is based on the occurrence or allegation of any of the matters described in clauses (a) through (h) above, *provided that* no Indemnitee will be entitled to indemnification under this Section for matters caused solely by its own gross negligence or willful misconduct. In the event any action or proceeding is brought against an Indemnitee by reason of a claim arising out of any Loss for which Borrower has indemnified the Indemnitees, upon written notice, Borrower must answer and otherwise defend the action or proceeding using counsel approved in writing by the Indemnitee at Borrower's sole expense. Each Indemnitee will have the right, exercised in its sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt, demand, suit or judgment against the Indemnitee in connection with the matters covered by this Agreement. The provisions of this Section will survive the repayment of the Loan and/or termination of this Agreement. Any indemnification obligation of the Borrower and/or its partners under the OCII Documents shall not extend to repayment of principal or interest in the Loan. The sole recourse of OCII under the OCII Documents for repayment of the Loan shall be the exercise by OCII of its rights against the Project.

23.2 No Limitation. Borrower's obligations under Section 23.1 are not limited by the insurance requirements under this Agreement.

ARTICLE 24 GENERAL PROVISIONS.

24.1 Subordination. The Deed of Trust and Declaration of Restrictions may be subordinated to other financing secured by and used for development of the Project , but only if OCII determines in its sole discretion that subordination is necessary to secure adequate acquisition, construction, rehabilitation and/or permanent financing to ensure the viability of the Project. Following review and approval by OCII and approval as to form by the City Attorney's Office, the Executive Director of OCII or his/her successor or designee will be authorized to execute any approved subordination agreement without the necessity of any further action or approval.

24.2 No Third Party Beneficiaries other than City. Nothing contained in this Agreement, nor any act of OCII, may be interpreted or construed as creating the relationship of third party beneficiary, limited or general partnership, joint venture, employer and employee, or principal and agent between OCII and Borrower or Borrower's agents, employees or contractors. Notwithstanding the forgoing, OCII and Borrower hereby acknowledge and agree that as the intended assignee of OCII's rights under the OCII Documents, the City is a third party beneficiary under the OCII Documents and that the Investor Limited Partner is a third party beneficiary of the provisions in Sections 16.1 and 19.2 hereof.

24.3 No Claims by Third Parties. Nothing contained in this Agreement creates or justifies any claim against OCII by any person or entity with respect to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the Project. Borrower must include this requirement as a provision in any contracts for the development of the Project.

24.4 Entire Agreement. This Agreement and its Exhibits incorporate the terms of all agreements made by OCII and Borrower with regard to the subject matter of this Agreement. No alteration or variation of the terms of this Agreement will be valid unless made in writing and signed by the parties hereto. No oral understandings or agreements not incorporated herein will be binding on OCII or Borrower.

24.5 OCII Obligations. OCII's sole obligation under this Agreement is limited to providing the Funds as described in this Agreement, up to the Funding Amount. Under no circumstances, including breach of this Agreement, will OCII be liable to Borrower for any special or consequential damages arising out of actions or failure to act by OCII in connection with any of the OCII Documents.

24.6 Borrower Solely Responsible. Borrower is an independent contractor with the right to exercise full control of employment, direction, compensation and discharge of all persons assisting in the performance contemplated under this Agreement. Borrower is solely responsible for: (a) its own acts and those of its agents, employees and contractors and all matters relating to their performance, including compliance with Social Security, withholding and all other Laws governing these matters and requiring that contractors include in each contract that they will be solely responsible for similar matters relating to their employees; (b) any losses or damages incurred by Borrower, any of its contractors or subcontractors and OCII and its officers, representatives, agents and employees on account of any act, error or omission of Borrower in the performance of this Agreement or any other OCII Document and the development and operation of the Project; and (c) all costs and expenses relating to Borrower's performance of obligations under the OCII Documents, the delivery to OCII of documents, information or items under or in connection with any of the OCII Documents and taxes, fees, costs or other charges payable in connection with the execution, delivery, filing and/or recording of any OCII Document or document required under any OCII Document.

24.7 No Inconsistent Agreements. Borrower warrants that it has not executed and will not execute any other agreement(s) with provisions materially contradictory or in opposition to the provisions of this Agreement.

24.8 Inconsistencies in OCII Documents. In the event of any conflict between the terms of this Agreement and any other OCII Document, the terms of this Agreement control unless otherwise stated; *provided, however*, that any provision in this Agreement in conflict with any Law will be interpreted subject to that Law.

24.9 Governing Law. This Agreement is governed by California law without regard to its choice of law rules.

24.10 Joint and Several Liability. If more than one person or entity signs this Agreement as Borrower, the obligations of such persons and entities shall be joint and several.

24.11 Successors. Except as otherwise limited herein, the provisions of this Agreement bind and inure to the benefit of the undersigned parties and their heirs, executors, administrators, legal representatives, successors and assigns. This provision does not relieve Borrower of its obligation under the OCII Documents to obtain OCII's prior written consent to any assignment or other transfer of Borrower's interests in the Loan, the Site or the ownership interests in Borrower.

24.12 Attorneys' Fees. If any legal action is commenced to enforce any of the terms of this Agreement or rights arising from any party's actions in connection with this Agreement, the prevailing party will have the right to recover its reasonable attorneys' fees (including allocated fees of the City Attorney's Office) and costs of suit from the other party, whether incurred in a judicial, arbitration, mediation or bankruptcy proceeding or on appeal. For the purposes of this Agreement, reasonable fees of attorneys in the City Attorney's office will be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter of law for which the City Attorney's services were rendered, who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the City Attorney's Office. An award of attorneys' fees and costs will bear interest at the default rate under the Note from the date of the award until paid.

24.13 Severability. The invalidity or unenforceability of any one or more provisions of this Agreement will in no way affect any other provision.

24.14 Time. Time is of the essence in this Agreement. Whenever the date on which an action must be performed falls on a Saturday, Sunday or federal holiday, the date for performance will be deemed to be the next succeeding business day.

24.15 Further Assurances. Borrower agrees to: (a) pursue in an effective and continuous manner; (b) use best efforts to achieve; and (c) take all actions reasonably required by OCII from time to time to confirm or otherwise carry out the purpose of this Agreement.

24.16 Binding Covenants. The provisions of the OCII Documents constitute covenants running with the land and will be binding upon Borrower and Borrower's successors and assigns, and all parties having or acquiring any right, title or interest in whatever form, including Borrower’s leasehold interest or other leasehold interests (other than Tenants), in or to any part of the Project, except that the same will terminate and become void automatically at the expiration of the term of this Agreement. Any attempt to transfer any right, title or interest in the Project or Borrower's leasehold interest in the Site in violation of these covenants will be void.

24.17 Consent. Except as expressly provided otherwise, whenever consent or approval of a party is required in any OCII Document, that party agrees not to withhold or delay its consent or approval unreasonably.

24.18 Counterparts. This Agreement may be executed in any number of counterparts, all of which will constitute but one agreement.

24.19 Borrower's Personnel. The Project shall be implemented only by competent personnel under the direction and supervision of Borrower.

24.20 Borrower's Board of Directors. Borrower or its managing general partner (or managing member of its general partner) shall at all times be governed by a legally constituted and fiscally responsible board of directors. Such board of directors shall meet regularly and maintain appropriate membership, as established in its bylaws and other governing documents, and shall adhere to applicable provisions of federal, state and local laws governing nonprofit corporations. Said board of directors shall exercise such oversight responsibility with regard to this Agreement as is necessary to ensure full and prompt performance by Borrower of its obligations under this Agreement.

24.21 Ownership of Results. Any interest of Borrower or any sub-borrower, in drawings, plans, specifications, studies, reports, memoranda, computation sheets, the contents of computer diskettes, or other documents or Publications prepared by or on behalf of Borrower or any sub-borrower in connection with this Agreement, the implementation of the Project, the services to be performed under this Agreement, or acquired through the use of any Loan proceeds ("Work Product"), is hereby pledged to OCII as security for Borrower's obligations under this Agreement and the Note, pursuant to that certain Assignment of Work Product attached hereto as Exhibit O, and upon an Event of Default, subject to all applicable notice and cure periods, shall become the property of and be promptly transmitted by Borrower to OCII. Notwithstanding the foregoing, Borrower may retain and use copies for reference and as documentation of its experience and capabilities.

This Agreement constitutes a security agreement under the California Uniform Commercial Code, as it may be amended from time to time, and Borrower authorizes OCII to file any financing statements OCII elects and deems necessary to perfect its security interest in the Work Product.

24.22 Works for Hire. If, in connection with this Agreement or the implementation of the Project, Borrower creates artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, source codes or any other original works of authorship or Publications, such creations shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such creations shall be the property of OCII. If it is ever determined that any such creations are not works for hire under applicable law, Borrower hereby assigns all copyrights thereto to OCII, and agrees to provide any material, execute such documents and take such other actions as may be necessary or desirable to effect such assignment. With the prior written approval of OCII, Borrower may retain and use copies of such creations for reference and as documentation of its experience and capabilities. Borrower shall use commercially reasonable efforts to obtain all releases, assignments or other agreements from other persons or entities implementing the Project to ensure that OCII obtains the rights set forth in this Section.

24.23 Nonrecourse. OCII's recourse against Borrower following an Event of Default is limited as set forth more specifically in the Note.

24.25 Exhibits. The following exhibits are attached to this Agreement and incorporated by reference:

EXHIBITS

A	Schedules of Income and Rent Restrictions
B-0	Amended Table of Predevelopment Sources and Uses of Funds
B-1	Table of Sources and Uses of Funds
B-2	Annual Operating Budget
B-3	20-Year Cash Flow Proforma
C	Form of Tenant Income Certification
D	Form of Promissory Note
E	Contract Compliance Policies
F	Insurance Requirements
G	Lobbying/Debarment Certification Form
H	Form of Annual Monitoring Report
I	Modular Work Disbursement Procedure
J	Form of Deed of Trust
K	Form of Declaration of Restrictions
L	Schedule of Performance
M	OCII Monthly Project Update Form
N	Developer Fee Schedule
O	Assignment of Work Product
P	Consent to Assignment of Work Product
Q	Legal Description
R	Final Financial Plan Confirmation Letter
S	Intentionally Omitted
T-1	Intentionally Omitted
T-2	Intentionally Omitted
T-3	Form of LOSP Unit Tenant Selection Plan

IN WITNESS WHEREOF, the parties hereto have executed this Agreement at San Francisco, California as of the date first written above.

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: ___________________________________
Nadia Sesay
Executive Director

APPROVED AS TO FORM:

By: ___________________________________
James B. Morales
Deputy Director and General Counsel

BORROWER:
Mission Bay 9 LP,
a California Limited Partnership

By: Mission Bay 9 CHP LLC, a California limited liability company, its managing general partner

By: Community Housing Partnership, a California nonprofit public benefit corporation, its sole and managing member

By: ________________________

Name: ______________________

Its: _________________________

By: Mission Bay 9 LLC, a California nonprofit public benefit corporation, its administrative general partner

By: BRIDGE Housing Corporation, a California nonprofit public benefit corporation, its sole and managing member

By: ________________________

Name: ______________________

Its: _________________________

Authorized by OCII Resolution No. ________-2020, dated ____________, 2020

EXHIBIT A

Schedule of Income and Rent Restrictions[1]

Unit Type	Number of Units	Average Square Feet	Maximum Rent*	Maximum % AMI	Rent or Operating Subsidies
Studio	122	366	$1,293	60%	LOSP
Studio+	18	468	$1,293	60%	LOSP
1 Bedroom	1	730	N/A Unrestricted Manager's Unit		
Total Units	**141**				

** Maximum rent is based on MOHCD limits for 2019. The maximum rent levels shall be updated upon the commencement of leasing of the Project, and the updated amounts shall be applicable for the first year of the leasing of the Project.*

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:

i. thirty percent (30%) of the applicable maximum AMI level set forth above, adjusted for household size; or

ii. the fair market rent established by the San Francisco Housing Authority for Qualified Tenants holding Section 8 vouchers or certificates.

Maximum Rent and utilities charged to each Qualified Tenant may not exceed the corresponding amounts for the AMI's set forth in the table above as established annually by MOHCD. Rents for all Units may be increased once annually in accordance with any increase in the rents according to MOHCD's "Maximum Income by Household Size derived from the Unadjusted Area Median Income for HUD Metro Fair Market Rent Area that contains San Francisco," published on an annual basis, based upon the maximum applicable target AMIs provided in the table above. The Project rents and utility allowances will be established based on established rents and utility allowances for the appropriate year of the commencement of marketing of the Project.

With OCII's prior written approval and in accordance with maximum rent limitations set forth above and all applicable restrictions, Rent increases for residential units exceeding the amounts permitted above 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.

[1] In the event of conflict between this Exhibit A and Article 7 of the Agreement, Article 7 shall prevail.

EXHIBIT B-0

Additional Predevelopment Sources and Uses

MOHCD Proforma - Predevelopment Financing Sources Uses of Funds

Additional Predevelopment Funds

Application Date:	2/1/20	**# Units:**	141
Project Name:	Mission Bay South Block 9	***# Bedrooms:***	140
Project Address:	410 China Basin Street	**# Beds:**	
Project Sponsor:	BRIDGE Housing Corp. & Community Housing Partnership		

LOSP Project

							Total Sources	Comments	
SOURCES	**10,919,790**	-	-	-	-	-	**10,919,790**		
Name of Sources:	MOHCD/OCII								
USES									
ACQUISITION									
Acquisition cost or value							0		
Legal / Closing costs / Broker's Fee							0		
Holding Costs							0		
Transfer Tax							0		
TOTAL ACQUISITION	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
CONSTRUCTION (HARD COSTS)									
Unit Construction/Rehab	8,268,640						8,268,640	Includes remainder of pile deposit ($550k), FOS material deposit ($2,050,000), FOS Assembly Line Deposit ($512,140), FOS Prototype Deposit ($100k), and remainder of Precon Deposit ($112,500), Early Pre-Authorizations ($100k). $4.8m is the cost to maintain the schedule in case there is a delay that pushes us up until our CDLAC readiness deadline in August. Please see draw down schedule attached which has a modular production payment of $2,090,000 due 7/1/20 and a second production payment of $2,754,000 due 8/1/20	
Commercial Shell Construction							0		
Demolition							0		
Environmental Remediation							0		
Onsight Improvements/Landscaping							0		Construction line item costs as a % of hard costs
Offsite Improvements							0		
Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.	
Parking							0		
GC Bond Premium/GC Insurance/GC Taxes							0		0.0%
GC Overhead & Profit							0		0.0%
CG General Conditions							0		0.0%
Sub-total Construction Costs	*8,268,640*	*0*	*0*	*0*	*0*	*0*	*8,268,640*		
Design Contingency (remove at DD)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	0.0%
Bid Contingency (remove at bid)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	0.0%
Plan Check Contingency (remove/reduce during Plan Review)							0	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+	0.0%
Hard Cost Construction Contingency							0	5% new construction / 15% rehab	0.0%
Sub-total Construction Contingencies	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
TOTAL CONSTRUCTION COSTS	**8,268,640**	**0**	**0**	**0**	**0**	**0**	**8,268,640**		
SOFT COSTS									
Architecture & Design									
Architect design fees	657,000						657,000	Estimate for A&E to get through a June/July 2020 construction closing.	
Design Subconsultants to the Architect (incl. Fees)							0		
Architect Construction Admin							0		
Reimbursables							0		
Additional Services							0		
Sub-total Architect Contract	*657,000*	*0*	*0*	*0*	*0*	*0*	*657,000*		
Other Third Party design consultants (not included under Architect contract)							0		
Total Architecture & Design	**657,000**	**0**	**0**	**0**	**0**	**0**	**657,000**		
Engineering & Environmental Studies									
Survey							0		
Geotechnical studies							0		
Phase I & II Reports							0		
CEQA / Environmental Review consultants							0		
NEPA / 106 Review							0		
CNA/PNA (rehab only)							0		
Other environmental consultants							0	Name consultants & contract amounts	
Total Engineering & Environmental Studies	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
Financing Costs									
Construction Financing Costs									
Construction Loan Origination Fee							0		
Construction Loan Interest							0		
Title & Recording							0		
CDLAC & CDIAC fees							0		
Bond Issuer Fees							0		
Other Bond Cost of Issuance							0		
Other Lender Costs Predev Loan Interest	6,904						6,904	Estimate for Cahill and BRIDGE Predev Interest for Pile Deposit - 6% for 3 months carry	
Sub-total Const. Financing Costs	*6,904*	*0*	*0*	*0*	*0*	*0*	*6,904*		
Permanent Financing Costs									
Permanent Loan Origination Fee							0		
Credit Enhance. & Appl. Fee							0		
Title & Recording							0		
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Total Financing Costs	**6,904**	**0**	**0**	**0**	**0**	**0**	**6,904**		
Legal Costs									
Borrower Legal fees							0		
Land Use / CEQA Attorney fees							0		
Tax Credit Counsel							0		
Bond Counsel							0		
Construction Lender Counsel							0		
Permanent Lender Counsel							0		
Other Legal (specify)							0		
Total Legal Costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
Other Development Costs									
Appraisal							0		
Market Study							0		
Insurance	1,474,746						1,474,746	To be confirmed with Gallagher that 100% of OCIP to be paid for pile indicator scope	
Property Taxes							0		
Accounting / Audit							0		
Organizational Costs							0		
Entitlement / Permit Fees	150,000						150,000	Estimate for unexpected permit costs	
Marketing / Rent-up							0		
Furnishings							0	$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees	250,000						250,000		
TCAC App / Alloc / Monitor Fees							0		
Financial Consultant fees							0		
Construction Management fees / Owner's Rep							0		
Security during Construction							0		
Relocation							0		
Other (specify)							0		
Other (specify)							0		Total Soft Cost Contingency as % of Total Soft Costs
Other (specify)							0		
Total Other Development Costs	**1,874,746**	**0**	**0**	**0**	**0**	**0**	**1,874,746**		
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)	112,500	0	0	0	0	0	112,500	Should be either 10% or 5% of total soft costs.	4.4%
TOTAL SOFT COSTS	**2,651,150**	**0**	**0**	**0**	**0**	**0**	**2,651,150**		
RESERVES									
Operating Reserves							0		
Replacement Reserves							0		
Tenant Improvements Reserves							0		
Other (specify)							0		
Other (specify)							0		
Other (specify)							0		
TOTAL RESERVES	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
DEVELOPER COSTS									
Developer Fee - Cash-out Paid at Milestones							0		
Developer Fee - Cash-out At Risk							0		
Developer Fee - GP Equity (also show as source)									
Developer Fee - Deferred (also show as source)							0		
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)							0		
TOTAL DEVELOPER COSTS	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
TOTAL DEVELOPMENT COST	**10,919,790**	**0**	**0**	**0**	**0**	**0**	**10,919,790**		
Development Cost/Unit by Source	77,445	0	0	0	0	0	77,445		
Development Cost/Unit as % of TDC by Source	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%		
Acquisition Cost/Unit by Source	0	0	0	0	0	0	0		
Construction Cost (inc Const Contingency)/Unit By Source	58,643	0	0	0	0	0	58,643		
Construction Cost (inc Const Contingency)/SF	119.51	0.00	0.00	0.00	0.00	0.00	119.51		
City Subsidy/Unit	77,445								

Tax Credit Equity Pricing:	0.97
Construction Bond Amount:	49,132,841
Construction Loan Term (in months):	26 months
Construction Loan Interest Rate (as %):	4.00%

EXHIBIT B-1

Table of Sources and Uses of Funds

Application Date: 2/1/20 | **# Units:** 141
Project Name: Mission Bay South Block 9 | ***# Bedrooms:*** 141 | **LOSP Project**
Project Address: 410 China Basin Street | **# Beds:**
Project Sponsor: BRIDGE Housing Corp. & Community Housing Partnership

							Total Sources	Comments	
SOURCES	**37,245,760**	**1,500,000**	**500,000**	**42,113,841**	**-**	**-**	**81,359,601**		
Name of Sources:	MOHCD/OCII	AHP	GP Equity	LP Equity					
USES									
ACQUISITION									
Acquisition cost or value							0		
Legal / Closing costs / Broker's Fee							0		
Holding Costs							0		
Transfer Tax							0		
TOTAL ACQUISITION	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
CONSTRUCTION (HARD COSTS)									
Unit Construction/Rehab	20,572,065	1,500,000	500,000	29,972,718			52,544,783	Includes modular contract and Solar PV	
Commercial Shell Construction							0		
Demolition							0		
Environmental Remediation							0		
Onsight Improvements/Landscaping							0		
Offsite Improvements							0		
Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.	Construction line item costs as a % of hard costs
Parking							0		
GC Bond Premium/GC Insurance/GC Taxes	755,061						755,061		**1.4%**
GC Overhead & Profit	2,011,302						2,011,302		**3.8%**
CG General Conditions	1,373,147						1,373,147		**2.6%**
Sub-total Construction Costs	*24,711,575*	*1,500,000*	*500,000*	*29,972,718*	*0*	*0*	*56,684,293*		
Design Contingency (remove at DD)	1,024,561						1,024,561	2.0%, per underwriting guidelines	**1.9%**
Bid Contingency (remove at bid)	2,626,084						2,626,084	5%, per underwriting guidelines	**5.0%**
Plan Check Contingency (remove/reduce during Plan Revi	1,324,561						1,324,561	2.5%, per underwriting guidelines	**2.5%**
Hard Cost Construction Contingency	306,246			2,825,054			3,131,300	6% instead of the minimum 5% to allow for modular risks	**6.0%**
Sub-total Construction Contingencies	*5,281,452*	*0*	*0*	*2,825,054*	*0*	*0*	*8,106,506*		
TOTAL CONSTRUCTION COSTS	**29,993,027**	**1,500,000**	**500,000**	**32,797,772**	**0**	**0**	**64,790,799**		
SOFT COSTS									
Architecture & Design									
Architect design fees	1,651,835						1,651,835	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms	
Design Subconsultants to the Architect (incl. Fees)	1,665,676						1,665,676		
Architect Construction Admin	10,000						10,000		
Reimbursables							0		
Additional Services							0		
Sub-total Architect Contract	*3,327,511*	*0*	*0*	*0*	*0*	*0*	*3,327,511*		
Other Third Party design consultants (not included under Architect contract)	290,114			26,382			316,496	Cathodic Protection, Joint Trench, Factory Built Consultant, Permit Expeditor, Environmental, Printing Owner Costs	
Total Architecture & Design	**3,617,625**	**0**	**0**	**26,382**	**0**	**0**	**3,644,007**		
Engineering & Environmental Studies									
Survey	37,900						37,900		
Geotechnical studies	209,728						209,728		
Phase I & II Reports	35,000			13,000			48,000		
CEQA / Environmental Review consultants				17,010			17,010		
NEPA / 106 Review							0		
CNA/PNA (rehab only)							0		
Other environmental consultants							0	Name consultants & contract amounts	
Total Engineering & Environmental Studies	**282,628**	**0**	**0**	**30,010**	**0**	**0**	**312,638**		
Financing Costs									
Construction Financing Costs									
Construction Loan Origination Fee				221,096			221,096		
Construction Loan Interest				2,496,298			2,496,298		
Title & Recording	10,000			70,000			80,000		
CDLAC & CDIAC fees				22,196			22,196		
Bond Issuer Fees				325,902			325,902	Issuer Financial Advisor ($45k), Upfront Issuer Fee ($122,832), Issuer Fee during constr ($133,068), Construction Lender Expenses ($25k)	
Other Bond Cost of Issuance							0		
Other Lender Costs Predev Loan Interest	8,266						8,266		
Sub-total Const. Financing Costs	*18,266*	*0*	*0*	*3,135,492*	*0*	*0*	*3,153,758*		
Permanent Financing Costs									
Permanent Loan Origination Fee							0		
Credit Enhance. & Appl. Fee							0		
Title & Recording							0		
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Total Financing Costs	**18,266**	**0**	**0**	**3,135,492**	**0**	**0**	**3,153,758**		
Legal Costs									
Borrower Legal fees	134,191			95,809			230,000		
Land Use / CEQA Attorney fees							0		
Tax Credit Counsel							0		
Bond Counsel				75,000			75,000		
Construction Lender Counsel				50,000			50,000		
Permanent Lender Counsel							0		
Other Legal - Predevelopment and Acquisiton Legal	20,101						20,101		
Total Legal Costs	**154,292**	**0**	**0**	**220,809**	**0**	**0**	**375,101**		
Other Development Costs									
Appraisal	15,000						15,000		
Market Study	10,000						10,000		
Insurance	1,475,074						1,475,074	Increased from $1,410,609 pricing estimate from Gallagher in Fall, 2019	
Property Taxes							0		
Accounting / Audit	0			45,000			45,000		
Organizational Costs							0		
Entitlement / Permit Fees				794,493			794,493	Includes permit fees and impact fees	
Marketing / Rent-up				141,000			141,000		
Furnishings	78,150			723,000			801,150	$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees	250,000			64,810			314,810		
TCAC App / Alloc / Monitor Fees	50,000			42,497			92,497		
Financial Consultant fees	55,000			10,000			65,000		
Construction Management fees / Owner's Rep	70,000			105,000			175,000		
Security during Construction							0		
Relocation							0		
Other Special Inspections				200,000			200,000		
Other Prevailing Wage Monitor				40,000			40,000		
Other Misc Owner Consultants				125,000			125,000	Includes SBE Outreach	
Total Other Development Costs	**2,003,224**	**0**	**0**	**2,290,800**	**0**	**0**	**4,294,024**		Total Soft Cost Contingency as % of Total Soft Costs
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)	676,698	0	0	317,616		0	994,314	Should be either 10% or 5% of total soft costs.	**8.4%**
TOTAL SOFT COSTS	**6,752,733**	**0**	**0**	**6,021,109**	**0**	**0**	**12,773,843**		
RESERVES									
Operating Reserves				434,960			434,960		
Replacement Reserves							0		
Tenant Improvements Reserves							0		
Other Mission Bay Settlement Reserve				250,000			250,000		
Other (specify)							0		
Other (specify)							0		
TOTAL RESERVES	**0**	**0**	**0**	**684,960**	**0**	**0**	**684,960**		
DEVELOPER COSTS									
Developer Fee - Cash-out Paid at Milestones	500,000			2,610,000			3,110,000		
Developer Fee - Cash-out At Risk							0		
Developer Fee - GP Equity (also show as source)							0		
Developer Fee - Deferred (also show as source)							0		
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)							0		
TOTAL DEVELOPER COSTS	**500,000**	**0**	**0**	**2,610,000**	**0**	**0**	**3,110,000**		
TOTAL DEVELOPMENT COST	**37,245,760**	**1,500,000**	**500,000**	**42,113,841**	**0**	**0**	**81,359,601**		
Development Cost/Unit by Source	264,154	10,638	3,546	298,680	0	0	577,018		
Development Cost/Unit as % of TDC by Source	45.8%	1.8%	0.6%	51.8%	0.0%	0.0%	100.0%		
Acquisition Cost/Unit by Source	0	0	0	0	0	0	0		
Construction Cost (inc Const Contingency)/Unit By Source	212,717	10,638	3,546	232,608	0	0	459,509		
Construction Cost (inc Const Contingency)/SF	433.49	21.68	7.23	474.02	0.00	0.00	936.42		
City Subsidy/Unit	264,154								
Tax Credit Equity Pricing:	0.97								
Construction Bond Amount:	49,132,841								
Construction Loan Term (in months):	26 months								
Construction Loan Interest Rate (as %):	4.00%								

EXHIBIT B-2

Annual Operating Budget

Application Date:	**2/1/2020**	LOSP Units: **141**	Non-LOSP Units: **0**	**Project Name:** Mission Bay South Block 9
Total # Units:	**141**			**Project Address:** 410 China Basin Street
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations)**:**	**2021**	LOSP/non-LOSP Allocation: 100%	0%	**Project Sponsor:** BRIDGE Housing Corp. & Community Housing Partnership

INCOME	LOSP	non-LOSP	Total	Comments		
Residential - Tenant Rents	504,000	0	504,000	Links from 'New Proj - Rent & Unit Mix' Worksheet		Alternative LOSP Split
Residential - Tenant Assistance Payments (Non-LOSP)	0	0	0	Links from 'New Proj - Rent & Unit Mix' Worksheet		Residential - Tenant Assistance Payments (No
Residential - LOSP Tenant Assistance Payments	1,288,687		1,288,687			
Commercial Space			0	0%		
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet		
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet		Alternative LOSP Split
Supportive Services Income	0	0				Supportive Services Income
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet		
Laundry and Vending	0	0	0	Links from 'Utilities & Other Income' Worksheet		Projected LOSP Split
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet		Tenant Charges
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet		
Other Commercial Income			0	Links from 'Commercial Op. Budget' Worksheet		Alternative LOSP Split
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0				Withdrawal from Capitalized Reserve (deposit
Gross Potential Income	**1,792,687**	**0**	**1,792,687**			
Vacancy Loss - Residential - Tenant Rents	(25,200)	0	(25,200)	Vacancy loss is 5% of Tenant Rents.		
Vacancy Loss - Residential - Tenant Assistance Payments	0	0	0	#DIV/0!		
Vacancy Loss - Commercial			0	Links from 'Commercial Op. Budget' Worksheet		
EFFECTIVE GROSS INCOME	**1,767,487**	**0**	**1,767,487**	***PUPA: 12,535***		
OPERATING EXPENSES						
Management						Alternative LOSP Split
Management Fee	136,080	0	136,080	1st Year to be set according to HUD schedule.$81/PUPY current		Management Fee
Asset Management Fee	22,670	0	22,670	Based on MOHCD AM Fee Schedule		Asset Management Fee
Sub-total Management Expenses	**158,750**	**0**	**158,750**	***PUPA: 1,126***		
Salaries/Benefits						Alternative LOSP Split
Office Salaries	24,489	0	24,489	Compliance staff and roving site staff		Office Salaries
Manager's Salary	118,836	0	118,836	1 senior site manager and 1 assistant site manager		Manager's Salary
Health Insurance and Other Benefits	118,367	0	118,367			Health Insurance and Other Benefits
Other Salaries/Benefits	0	0				Other Salaries/Benefits
Administrative Rent-Free Unit	0	0				Administrative Rent-Free Unit
Sub-total Salaries/Benefits	**261,693**	**0**	**261,693**	***PUPA: 1,856***		
Administration						
Advertising and Marketing	654	0	654	Tenant credit history checks		
Office Expenses	65,353	0	65,353	Telecom, office supplies, IT expenses, equipment leases, printing, subscriptions, postage		
Office Rent	0	0				Projected LOSP Split
Legal Expense - Property	16,082	0	16,082	Based on per unit costs at similar properties		Legal Expense - Property
Audit Expense	18,406	0	18,406	Based on costs at similar properties		
Bookkeeping/Accounting Services	15,960	0	15,960	$9.50/PUPY, restricted units		Projected LOSP Split
Bad Debts	20,160	0	20,160	4% of tenant rents		Bad Debts
Miscellaneous	30,635	0	30,635	Staff development and training, payroll expense, uniforms, bank charges		
Sub-total Administration Expenses	**167,251**	**0**	**167,251**	***PUPA: 1,186***		
Utilities						Projected LOSP Split
Electricity	70,582	0	70,582	T24 Engineer estimate (does not include PV generation) plus 10% contingency due to PSH		Electricity
Water	23,548	0	23,548	T24 engineer estimate (includes SHW offset) plus 10% contingency due to PSH		
Gas	59,398	0	59,398	Based on CY19 RCA/ZAH prorated; no BVW		
Sewer	95,359	0	95,359	Based on CY19 RCA/ZAH prorated		
Sub-total Utilities	**248,887**	**0**	**248,887**	***PUPA: 1,765***		
Taxes and Licenses						Alternative LOSP Split
Real Estate Taxes	2,142	0	2,142	Small annual Mello-roos cost		Real Estate Taxes
Payroll Taxes	52,396	0	52,396	Federal - 8% of total salaries, state - 2% of total salaries		Payroll Taxes
Miscellaneous Taxes, Licenses and Permits	5,419	0	5,419	Stae and local taxes and fees, based on similar properties		
Sub-total Taxes and Licenses	**59,958**	**0**	**59,958**	***PUPA: 425***		
Insurance						
Property and Liability Insurance	186,909	0	186,909			
Fidelity Bond Insurance	0	0				Alternative LOSP Split
Worker's Compensation	20,958	0	20,958			Worker's Compensation
Director's & Officers' Liability Insurance	0	0				
Sub-total Insurance	**207,868**	**0**	**207,868**	***PUPA: 1,474***		
Maintenance & Repair						
Payroll	215,800	0	215,800	2 Janitors, 0.2 FTE overtime/holiday, 1 senior maintenance tech, 1 maintenance supervisor,		Projected LOSP Split
Supplies	27,691	0	27,691	Supplies and repair materials, replacement appliances, unit turnover repairs		Supplies
Contracts	91,323	0	91,323	Includes security alarm, pest control, grounds, fire protection, elevator, and other misc		Contracts
Garbage and Trash Removal	38,050	0	38,050	Includes Greenstreetz diversion $500/mth		Alternative LOSP Split
Security Payroll/Contract	189,299	0	189,299	Includes 24/7 front desk coverage		Security Payroll/Contract
HVAC Repairs and Maintenance	0	0				
Vehicle and Maintenance Equipment Operation and Repairs	268	0	268			
Miscellaneous Operating and Maintenance Expenses	0	0				
Sub-total Maintenance & Repair Expenses	**562,431**	**0**	**562,431**	***PUPA: 3,989***		
						Alternative LOSP Split
Supportive Services	0	0	0	Separate HSH contract and MediCal Billing reimbursement contract		Supportive Services
Commercial Expenses			0	Links from 'Commercial Op. Budget' Worksheet		
TOTAL OPERATING EXPENSES	***1,666,836***	***0***	***1,666,836***	***PUPA: 11,822***		
Reserves/Ground Lease Base Rent/Bond Fees						
Ground Lease Base Rent	1	0	1	Ground lease with MOHCD	Provide additional comments here, if needed.	
Bond Monitoring Fee	2,500	0	2,500			Alternative LOSP Split
Replacement Reserve Deposit	70,500	0	70,500	$500/unit		Replacement Reserve Deposit
Operating Reserve Deposit	0	0				Operating Reserve Deposit
Other Required Reserve 1 Deposit	0	0				Other Required Reserve 1 Deposit
Other Required Reserve 2 Deposit	0	0				
Required Reserve Deposit/s, Commercial			0	Links from 'Commercial Op. Budget' Worksheet		
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	**73,001**	**0**	**73,001**	***PUPA: 518***	Min DSCR: 1.09	
					Mortgage Rate: 5.00%	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	**1,739,837**	**0**	**1,739,837**	***PUPA: 12,339***	Term (Years): 30	
					Supportable 1st Mortgage Pmt: 25,367	
NET OPERATING INCOME (INCOME minus OP EXPENSES)	**27,650**	**0**	**27,650**	***PUPA: 196***	Supportable 1st Mortgage Amt: $393,783	
					Proposed 1st Mortgage Amt: $37,245,760	
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)						Alternative LOSP Split
Hard Debt - First Lender	0	0	0		Provide additional comments here, if needed.	Hard Debt - First Lender
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len	0	0	0		Provide additional comments here, if needed.	Hard Debt - Second Lender (HCD Program 0.4
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0		Provide additional comments here, if needed.	Hard Debt - Third Lender (Other HCD Progran
Hard Debt - Fourth Lender	0	0	0		Provide additional comments here, if needed.	Hard Debt - Fourth Lender
Commercial Hard Debt Service			0	Links from 'Commercial Op. Budget' Worksheet		
TOTAL HARD DEBT SERVICE	**0**	**0**	**0**	***PUPA: 0***		
CASH FLOW (NOI minus DEBT SERVICE)	**27,650**	**0**	**27,650**			
Commercial Only Cash Flow			0			
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	0	0				Allocation of Commercial Surplus to LOPS/no
AVAILABLE CASH FLOW	**27,650**	**0**	**27,650**			
USES OF CASH FLOW BELOW (This row also shows DSCR.)						
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL						
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	0	0				
Partnership Management Fee (see policy for limits)	22,650	0	22,650	2nd		
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	5,000	0	5,000	1st		Alternative LOSP Split
Other Payments	0	0				Other Payments
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0			Provide additional comments here, if needed.	Non-amortizing Loan Pmnt - Lender 1 (select
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0			Provide additional comments here, if needed.	
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	0	0		#DIV/0!	Provide additional comments here, if needed.	Deferred Developer Fee (Enter amt <= Max Fe
TOTAL PAYMENTS PRECEDING MOHCD	**27,650**	**0**	**27,650**	***PUPA: 196***		
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	**0**	**0**	**0**			

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?	**No**	Project has MOHCD ground lease?	**Yes**	
Will Project Defer Developer Fee?	**No**			
Max **Deferred Developer Fee/Borrower** % of Residual Receipts in Yr 1:	100%			Sum of DD F from LOSP and non-LOSP:
% of Residual Receipts available for distribution to **soft debt lenders** in	0%			Ratio of Sum of DDF and calculated 50%:

Soft Debt Lenders with Residual Receipts Obligations		*(Select lender name/program from drop down)*	**Total Principal Amt**	**Distrib. of Soft Debt Loans**
MOHCD/OCII - Soft Debt Loans		All MOHCD/OCII Loans payable from res. rects	$5,000,000	100.00%
MOHCD/OCII - Ground Lease Value or Land Acq Cost		Ground Lease Value	$10	0.00%
HCD (soft debt loan) - Lender 3				0.00%
Other Soft Debt Lender - Lender 4				0.00%
Other Soft Debt Lender - Lender 5				0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE				
MOHCD Residual Receipts Amount Due		0	0	0% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment		0	0	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE			**0**	
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE				
HCD Residual Receipts Amount Due			0	
Lender 4 Residual Receipts Due			0	
Lender 5 Residual Receipts Due			0	
Total Non-MOHCD Residual Receipts Debt Service			**0**	
REMAINDER (Should be zero unless there are distributions below)			**0**	
Owner Distributions/Incentive Management Fee			0	
Other Distributions/Uses			0	
Final Balance (should be zero)			**0**	

EXHIBIT B-3

20-Year Cash Flow Proforma

Mission Bay South Block 9

	LOSP Units	Non-LOSP Units										
Total # Units: 141	*141*	*0*		Year 1	2021		Year 2	2022		Year 3	2023	
	100.00%	*0.00%*										
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	**LOSP**	**non-LOSP**	**Total**	**LOSP**	**non-LOSP**	**Total**	**LOSP**	**non-LOSP**	**Total**
Residential - Tenant Rents	1.0%	2.5%		504,000	-	504,000	509,040	-	509,040	514,130	-	514,130
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,288,687		1,288,687	1,343,206		1,343,206	1,399,753		1,399,753
Commercial Space	n/a	2.5%				-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-		-	-	
Gross Potential Income				**1,792,687**	**-**	**1,792,687**	**1,852,246**	**-**	**1,852,246**	**1,913,884**	**-**	**1,913,884**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(25,200)	-	(25,200)	(25,452)	-	(25,452)	(25,707)	-	(25,707)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				**1,767,487**	**-**	**1,767,487**	**1,826,794**	**-**	**1,826,794**	**1,888,177**	**-**	**1,888,177**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	136,080	-	136,080	140,843	-	140,843	145,772	-	145,772
Asset Management Fee	3.5%	3.5%	per MOHCD policy	22,670	-	22,670	23,463	-	23,463	24,285	-	24,285
Sub-total Management Expenses				**158,750**	**-**	**158,750**	**164,306**	**-**	**164,306**	**170,057**	**-**	**170,057**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		24,489	-	24,489	25,346	-	25,346	26,233	-	26,233
Manager's Salary	3.5%	3.5%		118,836	-	118,836	122,996	-	122,996	127,300	-	127,300
Health Insurance and Other Benefits	3.5%	3.5%		118,367	-	118,367	122,510	-	122,510	126,798	-	126,798
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				**261,693**	**-**	**261,693**	**270,852**	**-**	**270,852**	**280,332**	**-**	**280,332**
Administration												
Advertising and Marketing	3.5%	3.5%		654	-	654	677	-	677	701	-	701
Office Expenses	3.5%	3.5%		65,353	-	65,353	67,640	-	67,640	70,008	-	70,008
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		16,082	-	16,082	16,645	-	16,645	17,228	-	17,228
Audit Expense	3.5%	3.5%		18,406	-	18,406	19,050	-	19,050	19,717	-	19,717
Bookkeeping/Accounting Services	3.5%	3.5%		15,960	-	15,960	16,519	-	16,519	17,097	-	17,097
Bad Debts	3.5%	3.5%		20,160	-	20,160	20,866	-	20,866	21,596	-	21,596
Miscellaneous	3.5%	3.5%		30,635	-	30,635	31,708	-	31,708	32,817	-	32,817
Sub-total Administration Expenses				**167,251**	**-**	**167,251**	**173,104**	**-**	**173,104**	**179,163**	**-**	**179,163**
Utilities												
Electricity	3.5%	3.5%		70,582	-	70,582	73,052	-	73,052	75,609	-	75,609
Water	3.5%	3.5%		23,548	-	23,548	24,372	-	24,372	25,225	-	25,225
Gas	3.5%	3.5%		59,398	-	59,398	61,477	-	61,477	63,628	-	63,628
Sewer	3.5%	3.5%		95,359	-	95,359	98,697	-	98,697	102,151	-	102,151
Sub-total Utilities				**248,887**	**-**	**248,887**	**257,598**	**-**	**257,598**	**266,614**	**-**	**266,614**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		2,142	-	2,142	2,217	-	2,217	2,295	-	2,295
Payroll Taxes	3.5%	3.5%		52,396	-	52,396	54,230	-	54,230	56,128	-	56,128
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		5,419	-	5,419	5,609	-	5,609	5,805	-	5,805
Sub-total Taxes and Licenses				**59,958**	**-**	**59,958**	**62,056**	**-**	**62,056**	**64,228**	**-**	**64,228**
Insurance												
Property and Liability Insurance	3.5%	3.5%		186,909	-	186,909	193,451	-	193,451	200,222	-	200,222
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		20,958	-	20,958	21,692	-	21,692	22,451	-	22,451
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				**207,868**	**-**	**207,868**	**215,143**	**-**	**215,143**	**222,673**	**-**	**222,673**
Maintenance & Repair												
Payroll	3.5%	3.5%		215,800	-	215,800	223,353	-	223,353	231,171	-	231,171
Supplies	3.5%	3.5%		27,691	-	27,691	28,660	-	28,660	29,663	-	29,663
Contracts	3.5%	3.5%		91,323	-	91,323	94,519	-	94,519	97,827	-	97,827
Garbage and Trash Removal	3.5%	3.5%		38,050	-	38,050	39,382	-	39,382	40,760	-	40,760
Security Payroll/Contract	3.5%	3.5%		189,299	-	189,299	195,924	-	195,924	202,781	-	202,781
HVAC Repairs and Maintenance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		268	-	268	277	-	277	287	-	287
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				**562,431**	**-**	**562,431**	**582,116**	**-**	**582,116**	**602,490**	**-**	**602,490**
Supportive Services	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses						-			-			-
TOTAL OPERATING EXPENSES				**1,666,836**	**-**	**1,666,836**	**1,725,176**	**-**	**1,725,176**	**1,785,557**	**-**	**1,785,557**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)						*11,822*						
Reserves/Ground Lease Base Rent/Bond Fees									*Note: Hidden columns are in between total columns. To update*			
Ground Lease Base Rent				1	-	1	1	-	1	1	-	1
Bond Monitoring Fee				2,500	-	2,500	2,500	-	2,500	2,500	-	2,500
Replacement Reserve Deposit				70,500	-	70,500	70,500	-	70,500	70,500	-	70,500
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				**73,001**	**-**	**73,001**	**73,001**	**-**	**73,001**	**73,001**	**-**	**73,001**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				**1,739,837**	**-**	**1,739,837**	**1,798,177**	**-**	**1,798,177**	**1,858,558**	**-**	**1,858,558**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)						*12,339*						
NET OPERATING INCOME (INCOME minus OP EXPENSES)				**27,650**	**-**	**27,650**	**28,618**	**-**	**28,618**	**29,619**	**-**	**29,619**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)									*Note: Hidden columns are in between total columns. To update*			
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-
TOTAL HARD DEBT SERVICE				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CASH FLOW (NOI minus DEBT SERVICE)				**27,650**	**-**	**27,650**	**28,618**	**-**	**28,618**	**29,619**	**-**	**29,619**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				**27,650**	**-**	**27,650**	**28,618**	**-**	**28,618**	**29,619**	**-**	**29,619**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL									*Note: Hidden columns are in between total columns. To update*			
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	22,650	-	22,650	23,443	-	23,443	24,263	-	24,263
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	5,000	-	5,000	5,175	-	5,175	5,356	-	5,356
Other Payments				-	-	-	-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-	-	-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-	-	-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-	-	-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				**27,650**	**-**	**27,650**	**28,618**	**-**	**28,618**	**29,619**	**-**	**29,619**
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	-	**-**	-	-	**-**	0	-	**0**

Does Project have a MOHCD Residual Receipt Obligation?	***No***				
Will Project Defer Developer Fee?	***No***				
Residual Receipts split for all years. - Lender/Owner	*0% / 0%*				
		Max Deferred Developer Fee Amt:			
		Cum. Deferred Developer Fee:	-	-	-

MOHCD RESIDUAL RECEIPTS DEBT SERVICE	*Dist. Soft Debt Loans*		Year 1 Total	Year 2 Total	Year 3 Total
MOHCD Residual Receipts Amount Due	*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
HCD Residual Receipts Amount Due	*0.00%*	No HCD Financing	-	-	-
Lender 4 Residual Receipts Due	*0.00%*		-	-	-
Lender 5 Residual Receipts Due	*0.00%*		-	-	-
Total Non-MOHCD Residual Receipts Debt Service			**-**	**-**	**-**
REMAINDER (Should be zero unless there are distributions below)			**-**	**-**	**0**
Owner Distributions/Incentive Management Fee			-	-	-
Other Distributions/Uses			-	-	-
Final Balance (should be zero)			**-**	**-**	**-**
REPLACEMENT RESERVE - RUNNING BALANCE					
Replacement Reserve Starting Balance			**-**	**70,500**	**141,000**
Replacement Reserve Deposits			**70,500**	**70,500**	**70,500**
Replacement Reserve Withdrawals (ideally tied to CNA)			**-**	**-**	**-**
Replacement Reserve Interest					
RR Running Balance			**70,500**	**141,000**	**211,500**
		RR Balance/Unit	*$500*	*$1,000*	*$1,500*
OPERATING RESERVE - RUNNING BALANCE					
Operating Reserve Starting Balance			-	-	-
Operating Reserve Deposits			-	-	-
Operating Reserve Withdrawals					
Operating Reserve Interest					
OR Running Balance			-	-	-
		OR Balance as a % of Prior Yr Op Exps + Debt Service		*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE					
Other Reserve 1 Starting Balance				-	-
Other Reserve 1 Deposits			-	-	-
Other Reserve 1 Withdrawals					
Other Reserve 1 Interest					
Other Required Reserve 1 Running Balance			-	-	-
OTHER RESERVE 2 - RUNNING BALANCE					
Other Reserve 2 Starting Balance				-	-
Other Reserve 2 Deposits			-	-	-
Other Reserve 2 Withdrawals					
Other Reserve 2 Interest					
Other Required Reserve 2 Running Balance			-	-	-

Mission Bay South Block 9

	LOSP Units	Non-LOSP Units										
Total # Units: 141	141	0		Year 4 2024			Year 5 2025			Year 6 2026		
	100.00%	0.00%										
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	**LOSP**	**non-LOSP**	**Total**	**LOSP**	**non-LOSP**	**Total**	**LOSP**	**non-LOSP**	**Total**
Residential - Tenant Rents	1.0%	2.5%		519,272	-	519,272	524,464	-	524,464	529,709	-	529,709
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,458,400		1,458,400	1,519,222		1,519,222	1,582,296		1,582,296
Commercial Space	n/a	2.5%				-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				1,977,672	-	1,977,672	2,043,686	-	2,043,686	2,112,005	-	2,112,005
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(25,964)	-	(25,964)	(26,223)	-	(26,223)	(26,485)	-	(26,485)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				1,951,708	-	1,951,708	2,017,463	-	2,017,463	2,085,519	-	2,085,519
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	150,874	-	150,874	156,155	-	156,155	161,620	-	161,620
Asset Management Fee	3.5%	3.5%	per MOHCD policy	25,135	-	25,135	26,014	-	26,014	26,925	-	26,925
Sub-total Management Expenses				176,009	-	176,009	182,169	-	182,169	188,545	-	188,545
Salaries/Benefits												
Office Salaries	3.5%	3.5%		27,151	-	27,151	28,102	-	28,102	29,085	-	29,085
Manager's Salary	3.5%	3.5%		131,756	-	131,756	136,367	-	136,367	141,140	-	141,140
Health Insurance and Other Benefits	3.5%	3.5%		131,236	-	131,236	135,829	-	135,829	140,583	-	140,583
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				290,144	-	290,144	300,299	-	300,299	310,809	-	310,809
Administration												
Advertising and Marketing	3.5%	3.5%		725	-	725	750	-	750	777	-	777
Office Expenses	3.5%	3.5%		72,458	-	72,458	74,994	-	74,994	77,619	-	77,619
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		17,831	-	17,831	18,455	-	18,455	19,101	-	19,101
Audit Expense	3.5%	3.5%		20,407	-	20,407	21,121	-	21,121	21,860	-	21,860
Bookkeeping/Accounting Services	3.5%	3.5%		17,695	-	17,695	18,314	-	18,314	18,955	-	18,955
Bad Debts	3.5%	3.5%		22,352	-	22,352	23,134	-	23,134	23,944	-	23,944
Miscellaneous	3.5%	3.5%		33,966	-	33,966	35,155	-	35,155	36,385	-	36,385
Sub-total Administration Expenses				185,434	-	185,434	191,924	-	191,924	198,641	-	198,641
Utilities												
Electricity	3.5%	3.5%		78,255	-	78,255	80,994	-	80,994	83,829	-	83,829
Water	3.5%	3.5%		26,108	-	26,108	27,021	-	27,021	27,967	-	27,967
Gas	3.5%	3.5%		65,855	-	65,855	68,160	-	68,160	70,546	-	70,546
Sewer	3.5%	3.5%		105,727	-	105,727	109,427	-	109,427	113,257	-	113,257
Sub-total Utilities				275,945	-	275,945	285,603	-	285,603	295,599	-	295,599
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		2,375	-	2,375	2,459	-	2,459	2,545	-	2,545
Payroll Taxes	3.5%	3.5%		58,092	-	58,092	60,126	-	60,126	62,230	-	62,230
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		6,009	-	6,009	6,219	-	6,219	6,436	-	6,436
Sub-total Taxes and Licenses				66,476	-	66,476	68,803	-	68,803	71,211	-	71,211
Insurance												
Property and Liability Insurance	3.5%	3.5%		207,230	-	207,230	214,483	-	214,483	221,990	-	221,990
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		23,237	-	23,237	24,050	-	24,050	24,892	-	24,892
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				230,467	-	230,467	238,533	-	238,533	246,882	-	246,882
Maintenance & Repair												
Payroll	3.5%	3.5%		239,262	-	239,262	247,636	-	247,636	256,303	-	256,303
Supplies	3.5%	3.5%		30,702	-	30,702	31,776	-	31,776	32,888	-	32,888
Contracts	3.5%	3.5%		101,251	-	101,251	104,795	-	104,795	108,463	-	108,463
Garbage and Trash Removal	3.5%	3.5%		42,187	-	42,187	43,663	-	43,663	45,191	-	45,191
Security Payroll/Contract	3.5%	3.5%		209,879	-	209,879	217,225	-	217,225	224,827	-	224,827
HVAC Repairs and Maintenance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		297	-	297	307	-	307	318	-	318
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				623,577	-	623,577	645,402	-	645,402	667,991	-	667,991
Supportive Services	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses						-			-			-
TOTAL OPERATING EXPENSES				1,848,051	-	1,848,051	1,912,733	-	1,912,733	1,979,679	-	1,979,679
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees				/delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.								
Ground Lease Base Rent				1	-	1	1	-	1	1	-	1
Bond Monitoring Fee				2,500	-	2,500	2,500	-	2,500	2,500	-	2,500
Replacement Reserve Deposit				70,500	-	70,500	70,500	-	70,500	70,500	-	70,500
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				73,001	-	73,001	73,001	-	73,001	73,001	-	73,001
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				1,921,052	-	1,921,052	1,985,734	-	1,985,734	2,052,680	-	2,052,680
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				30,656	-	30,656	31,729	-	31,729	32,840	-	32,840
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)				/delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.								
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-
TOTAL HARD DEBT SERVICE				-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)				30,656	-	30,656	31,729	-	31,729	32,840	-	32,840
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				30,656	-	30,656	31,729	-	31,729	32,840	-	32,840
USES OF CASH FLOW BELOW (This row also shows DSCR.)			*DSCR:*									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL				/delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.								
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	25,112	-	25,112	25,991	-	25,991	26,901	-	26,901
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	5,544	-	5,544	5,738	-	5,738	5,938	-	5,938
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				30,656	-	30,656	31,729	-	31,729	32,840	-	32,840
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				0	-	0	(0)	-	(0)	0	-	0
Does Project have a MOHCD Residual Receipt Obligation?		No										
Will Project Defer Developer Fee?		No										
Residual Receipts split for all years. - Lender/Owner		0% / 0%										
		Dist. Soft Debt Loans				-			-			-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due		100.00%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		0.00%	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		0.00%				-			-			-
Lender 5 Residual Receipts Due		0.00%				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						0			-			0
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses												
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						211,500			282,000			352,500
Replacement Reserve Deposits						70,500			70,500			70,500
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest												
RR Running Balance						282,000			352,500			423,000
			RR Balance/Unit			$2,000			$2,500			$3,000
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						-			-			-
Operating Reserve Deposits						-			-			-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance						-			-			-
		OR Balance as a % of Prior Yr Op Exps + Debt Service				0.0%			0.0%			0.0%
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance						-			-			-
Other Reserve 1 Deposits						-			-			-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance						-			-			-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance						-			-			-
Other Reserve 2 Deposits						-			-			-
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

Mission Bay South Block 9

		LOSP Units	Non-LOSP Units
Total # Units:	141	141	0
		100.00%	0.00%

INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 7 2027 LOSP	Year 7 2027 non-LOSP	Year 7 2027 Total	Year 8 2028 LOSP	Year 8 2028 non-LOSP	Year 8 2028 Total	Year 9 2029 LOSP	Year 9 2029 non-LOSP	Year 9 2029 Total
Residential - Tenant Rents	1.0%	2.5%		535,006	-	535,006	540,356	-	540,356	545,760	-	545,760
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,647,702		1,647,702	1,715,522		1,715,522	1,785,844		1,785,844
Commercial Space	n/a	2.5%				-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				2,182,708	-	2,182,708	2,255,879	-	2,255,879	2,331,604	-	2,331,604
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(26,750)	-	(26,750)	(27,018)	-	(27,018)	(27,288)	-	(27,288)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				2,155,957	-	2,155,957	2,228,861	-	2,228,861	2,304,316	-	2,304,316
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	167,277	-	167,277	173,132	-	173,132	179,191	-	179,191
Asset Management Fee	3.5%	3.5%	per MOHCD policy	27,867	-	27,867	28,843	-	28,843	29,852	-	29,852
Sub-total Management Expenses				195,144	-	195,144	201,974	-	201,974	209,043	-	209,043
Salaries/Benefits												
Office Salaries	3.5%	3.5%		30,103	-	30,103	31,157	-	31,157	32,247	-	32,247
Manager's Salary	3.5%	3.5%		146,080	-	146,080	151,193	-	151,193	156,485	-	156,485
Health Insurance and Other Benefits	3.5%	3.5%		145,504	-	145,504	150,596	-	150,596	155,867	-	155,867
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				321,687	-	321,687	332,946	-	332,946	344,600	-	344,600
Administration												
Advertising and Marketing	3.5%	3.5%		804	-	804	832	-	832	861	-	861
Office Expenses	3.5%	3.5%		80,335	-	80,335	83,147	-	83,147	86,057	-	86,057
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		19,769	-	19,769	20,461	-	20,461	21,178	-	21,178
Audit Expense	3.5%	3.5%		22,625	-	22,625	23,417	-	23,417	24,237	-	24,237
Bookkeeping/Accounting Services	3.5%	3.5%		19,619	-	19,619	20,306	-	20,306	21,016	-	21,016
Bad Debts	3.5%	3.5%		24,782	-	24,782	25,649	-	25,649	26,547	-	26,547
Miscellaneous	3.5%	3.5%		37,659	-	37,659	38,977	-	38,977	40,341	-	40,341
Sub-total Administration Expenses				205,594	-	205,594	212,789	-	212,789	220,237	-	220,237
Utilities												
Electricity	3.5%	3.5%		86,763	-	86,763	89,800	-	89,800	92,943	-	92,943
Water	3.5%	3.5%		28,946	-	28,946	29,959	-	29,959	31,008	-	31,008
Gas	3.5%	3.5%		73,015	-	73,015	75,571	-	75,571	78,215	-	78,215
Sewer	3.5%	3.5%		117,221	-	117,221	121,324	-	121,324	125,570	-	125,570
Sub-total Utilities				305,945	-	305,945	316,653	-	316,653	327,736	-	327,736
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		2,634	-	2,634	2,726	-	2,726	2,821	-	2,821
Payroll Taxes	3.5%	3.5%		64,408	-	64,408	66,662	-	66,662	68,995	-	68,995
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		6,662	-	6,662	6,895	-	6,895	7,136	-	7,136
Sub-total Taxes and Licenses				73,703	-	73,703	76,283	-	76,283	78,953	-	78,953
Insurance												
Property and Liability Insurance	3.5%	3.5%		229,759	-	229,759	237,801	-	237,801	246,124	-	246,124
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		25,763	-	25,763	26,665	-	26,665	27,598	-	27,598
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				255,523	-	255,523	264,466	-	264,466	273,722	-	273,722
Maintenance & Repair												
Payroll	3.5%	3.5%		265,274	-	265,274	274,558	-	274,558	284,168	-	284,168
Supplies	3.5%	3.5%		34,040	-	34,040	35,231	-	35,231	36,464	-	36,464
Contracts	3.5%	3.5%		112,259	-	112,259	116,188	-	116,188	120,255	-	120,255
Garbage and Trash Removal	3.5%	3.5%		46,773	-	46,773	48,410	-	48,410	50,104	-	50,104
Security Payroll/Contract	3.5%	3.5%		232,696	-	232,696	240,841	-	240,841	249,270	-	249,270
HVAC Repairs and Maintenance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		329	-	329	341	-	341	353	-	353
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				691,371	-	691,371	715,569	-	715,569	740,614	-	740,614
Supportive Services	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses						-			-			-
TOTAL OPERATING EXPENSES				2,048,967	-	2,048,967	2,120,681	-	2,120,681	2,194,905	-	2,194,905
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				1	-	1	1	-	1	1	-	1
Bond Monitoring Fee				2,500	-	2,500	2,500	-	2,500	2,500	-	2,500
Replacement Reserve Deposit				70,500	-	70,500	70,500	-	70,500	70,500	-	70,500
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				73,001	-	73,001	73,001	-	73,001	73,001	-	73,001
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				2,121,968	-	2,121,968	2,193,682	-	2,193,682	2,267,906	-	2,267,906
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				33,989	-	33,989	35,179	-	35,179	36,410	-	36,410
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-
TOTAL HARD DEBT SERVICE				-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)				33,989	-	33,989	35,179	-	35,179	36,410	-	36,410
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				33,989	-	33,989	35,179	-	35,179	36,410	-	36,410
USES OF CASH FLOW BELOW (This row also shows DSCR.)			DSCR:									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	27,843	-	27,843	28,817	-	28,817	29,826	-	29,826
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	6,146	-	6,146	6,361	-	6,361	6,584	-	6,584
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				33,989	-	33,989	35,179	-	35,179	36,410	-	36,410
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				(0)	-	(0)	0	-	0	0	-	0
Does Project have a MOHCD Residual Receipt Obligation?		No										
Will Project Defer Developer Fee?		No										
Residual Receipts split for all years. - Lender/Owner		0% / 0%										
						-			-			-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		Dist. Soft Debt Loans										
MOHCD Residual Receipts Amount Due		100.00%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		0.00%	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		0.00%				-			-			-
Lender 5 Residual Receipts Due		0.00%				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			0			0
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses												
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						423,000			493,500			564,000
Replacement Reserve Deposits						70,500			70,500			70,500
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest												
RR Running Balance						493,500			564,000			634,500
			RR Balance/Unit			$3,500			$4,000			$4,500
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						-			-			-
Operating Reserve Deposits						-			-			-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance						-			-			-
			OR Balance as a % of Prior Yr Op Exps + Debt Service			0.0%			0.0%			0.0%
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance						-			-			-
Other Reserve 1 Deposits						-			-			-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance						-			-			-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance						-			-			-
Other Reserve 2 Deposits						-			-			-
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

Mission Bay South Block 9

	LOSP Units	Non-LOSP Units
Total # Units:		
141	***141***	***0***
	100.00%	*0.00%*

INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 10 2030 LOSP	Year 10 2030 non-LOSP	Year 10 2030 Total	Year 11 2031 LOSP	Year 11 2031 non-LOSP	Year 11 2031 Total	Year 12 2032 LOSP	Year 12 2032 non-LOSP	Year 12 2032 Total
Residential - Tenant Rents	1.0%	2.5%		*551,217*	-	551,217	*556,730*	-	556,730	*562,297*	-	562,297
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		*1,858,755*		1,858,755	*1,934,348*		1,934,348	*2,012,718*		2,012,718
Commercial Space	n/a	2.5%				-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				***2,409,973***	**-**	**2,409,973**	***2,491,078***	**-**	**2,491,078**	***2,575,015***	**-**	**2,575,015**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	*(27,561)*	-	(27,561)	*(27,836)*	-	(27,836)	*(28,115)*	-	(28,115)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				***2,382,412***	**-**	**2,382,412**	***2,463,241***	**-**	**2,463,241**	***2,546,900***	**-**	**2,546,900**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	*185,463*	-	185,463	*191,954*	-	191,954	*198,673*	-	198,673
Asset Management Fee	3.5%	3.5%	per MOHCD policy	*30,897*	-	30,897	*31,978*	-	31,978	*33,098*	-	33,098
Sub-total Management Expenses				***216,360***	**-**	**216,360**	***223,933***	**-**	**223,933**	***231,770***	**-**	**231,770**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		*33,376*	-	33,376	*34,544*	-	34,544	*35,753*	-	35,753
Manager's Salary	3.5%	3.5%		*161,962*	-	161,962	*167,630*	-	167,630	*173,497*	-	173,497
Health Insurance and Other Benefits	3.5%	3.5%		*161,323*	-	161,323	*166,969*	-	166,969	*172,813*	-	172,813
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				***356,661***	**-**	**356,661**	***369,144***	**-**	**369,144**	***382,064***	**-**	**382,064**
Administration												
Advertising and Marketing	3.5%	3.5%		*891*	-	891	*923*	-	923	*955*	-	955
Office Expenses	3.5%	3.5%		*89,069*	-	89,069	*92,187*	-	92,187	*95,413*	-	95,413
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		*21,919*	-	21,919	*22,686*	-	22,686	*23,480*	-	23,480
Audit Expense	3.5%	3.5%		*25,085*	-	25,085	*25,963*	-	25,963	*26,872*	-	26,872
Bookkeeping/Accounting Services	3.5%	3.5%		*21,752*	-	21,752	*22,513*	-	22,513	*23,301*	-	23,301
Bad Debts	3.5%	3.5%		*27,476*	-	27,476	*28,438*	-	28,438	*29,433*	-	29,433
Miscellaneous	3.5%	3.5%		*41,753*	-	41,753	*43,214*	-	43,214	*44,727*	-	44,727
Sub-total Administration Expenses				***227,945***	**-**	**227,945**	***235,923***	**-**	**235,923**	***244,181***	**-**	**244,181**
Utilities												
Electricity	3.5%	3.5%		*96,196*	-	96,196	*99,563*	-	99,563	*103,047*	-	103,047
Water	3.5%	3.5%		*32,093*	-	32,093	*33,216*	-	33,216	*34,379*	-	34,379
Gas	3.5%	3.5%		*80,953*	-	80,953	*83,786*	-	83,786	*86,719*	-	86,719
Sewer	3.5%	3.5%		*129,965*	-	129,965	*134,514*	-	134,514	*139,222*	-	139,222
Sub-total Utilities				***339,207***	**-**	**339,207**	***351,079***	**-**	**351,079**	***363,367***	**-**	**363,367**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		*2,920*	-	2,920	*3,022*	-	3,022	*3,128*	-	3,128
Payroll Taxes	3.5%	3.5%		*71,410*	-	71,410	*73,910*	-	73,910	*76,496*	-	76,496
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		*7,386*	-	7,386	*7,645*	-	7,645	*7,912*	-	7,912
Sub-total Taxes and Licenses				***81,716***	**-**	**81,716**	***84,576***	**-**	**84,576**	***87,536***	**-**	**87,536**
Insurance												
Property and Liability Insurance	3.5%	3.5%		*254,738*	-	254,738	*263,654*	-	263,654	*272,882*	-	272,882
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		*28,564*	-	28,564	*29,564*	-	29,564	*30,599*	-	30,599
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				***283,303***	**-**	**283,303**	***293,218***	**-**	**293,218**	***303,481***	**-**	**303,481**
Maintenance & Repair												
Payroll	3.5%	3.5%		*294,114*	-	294,114	*304,408*	-	304,408	*315,062*	-	315,062
Supplies	3.5%	3.5%		*37,740*	-	37,740	*39,061*	-	39,061	*40,428*	-	40,428
Contracts	3.5%	3.5%		*124,463*	-	124,463	*128,820*	-	128,820	*133,328*	-	133,328
Garbage and Trash Removal	3.5%	3.5%		*51,858*	-	51,858	*53,673*	-	53,673	*55,552*	-	55,552
Security Payroll/Contract	3.5%	3.5%		*257,995*	-	257,995	*267,024*	-	267,024	*276,370*	-	276,370
HVAC Repairs and Maintenance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		*365*	-	365	*378*	-	378	*391*	-	391
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				***766,535***	**-**	**766,535**	***793,364***	**-**	**793,364**	***821,132***	**-**	**821,132**
Supportive Services	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses						-			-			-
TOTAL OPERATING EXPENSES				***2,271,727***	**-**	**2,271,727**	***2,351,237***	**-**	**2,351,237**	***2,433,531***	**-**	**2,433,531**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				*1*	-	1	*1*	-	1	*1*	-	1
Bond Monitoring Fee				*2,500*	-	2,500	*2,500*	-	2,500	*2,500*	-	2,500
Replacement Reserve Deposit				*70,500*	-	70,500	*70,500*	-	70,500	*70,500*	-	70,500
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***73,001***	**-**	**73,001**	***73,001***	**-**	**73,001**	***73,001***	**-**	**73,001**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				***2,344,728***	**-**	**2,344,728**	***2,424,238***	**-**	**2,424,238**	***2,506,532***	**-**	**2,506,532**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				***37,684***	**-**	**37,684**	***39,003***	**-**	**39,003**	***40,368***	**-**	**40,368**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-
TOTAL HARD DEBT SERVICE				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CASH FLOW (NOI minus DEBT SERVICE)				***37,684***	**-**	**37,684**	***39,003***	**-**	**39,003**	***40,368***	**-**	**40,368**
Commercial Only Cash Flow						**-**			**-**			**-**
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				***37,684***	**-**	**37,684**	***39,003***	**-**	**39,003**	***40,368***	**-**	**40,368**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	*30,870*	-	30,870	*31,950*	-	31,950	*33,068*	-	33,068
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	*6,814*	-	6,814	*7,053*	-	7,053	*7,300*	-	7,300
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				***37,684***	**-**	***37,684***	***39,003***	**-**	***39,003***	***40,368***	**-**	***40,368***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				(0)	-	**(0)**	0	-	**0**	(0)	-	**(0)**
Does Project have a MOHCD Residual Receipt Obligation?		***No***										
Will Project Defer Developer Fee?		***No***										
Residual Receipts split for all years. - Lender/Owner		*0% / 0%*										
		Dist. Soft Debt Loans				-			-			-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due		*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						**-**			**-**			**-**
REMAINDER (Should be zero unless there are distributions below)						**-**			**0**			**-**
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses												
Final Balance (should be zero)						**-**			**-**			**-**
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						**634,500**			**705,000**			**775,500**
Replacement Reserve Deposits						**70,500**			**70,500**			**70,500**
Replacement Reserve Withdrawals (ideally tied to CNA)						**-**			**-**			**-**
Replacement Reserve Interest												
RR Running Balance						**705,000**			**775,500**			**846,000**
			RR Balance/Unit			*$5,000*			*$5,500*			*$6,000*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						**-**			**-**			**-**
Operating Reserve Deposits						**-**			**-**			**-**
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance						**-**			**-**			**-**
			OR Balance as a % of Prior Yr Op Exps + Debt Service			*0.0%*			*0.0%*			*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance						**-**			**-**			**-**
Other Reserve 1 Deposits						**-**			**-**			**-**
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance						**-**			**-**			**-**
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance						**-**			**-**			**-**
Other Reserve 2 Deposits						**-**			**-**			**-**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						**-**			**-**			**-**

Mission Bay South Block 9

Total # Units:	LOSP Units	Non-LOSP Units										
141	***141***	***0***		**Year 13**			**Year 14**			**Year 15**		
	100.00%	*0.00%*		**2033**			**2034**			**2035**		
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Residential - Tenant Rents	1.0%	2.5%		*567,920*	-	567,920	*573,599*	-	573,599	*579,335*	-	579,335
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		*2,093,962*		2,093,962	*2,178,184*		2,178,184	*2,265,489*		2,265,489
Commercial Space	n/a	2.5%				-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				***2,661,882***	**-**	**2,661,882**	***2,751,783***	**-**	**2,751,783**	***2,844,824***	**-**	**2,844,824**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	*(28,396)*	-	(28,396)	*(28,680)*	-	(28,680)	*(28,967)*	-	(28,967)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				***2,633,486***	**-**	**2,633,486**	***2,723,103***	**-**	**2,723,103**	***2,815,857***	**-**	**2,815,857**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	*205,626*	-	205,626	*212,823*	-	212,823	*220,272*	-	220,272
Asset Management Fee	3.5%	3.5%	per MOHCD policy	*34,256*	-	34,256	*35,455*	-	35,455	*36,696*	-	36,696
Sub-total Management Expenses				***239,882***	**-**	**239,882**	***248,278***	**-**	**248,278**	***256,968***	**-**	**256,968**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		*37,005*	-	37,005	*38,300*	-	38,300	*39,640*	-	39,640
Manager's Salary	3.5%	3.5%		*179,570*	-	179,570	*185,855*	-	185,855	*192,360*	-	192,360
Health Insurance and Other Benefits	3.5%	3.5%		*178,861*	-	178,861	*185,121*	-	185,121	*191,601*	-	191,601
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				***395,436***	**-**	**395,436**	***409,276***	**-**	**409,276**	***423,601***	**-**	**423,601**
Administration												
Advertising and Marketing	3.5%	3.5%		*988*	-	988	*1,023*	-	1,023	*1,059*	-	1,059
Office Expenses	3.5%	3.5%		*98,753*	-	98,753	*102,209*	-	102,209	*105,786*	-	105,786
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		*24,302*	-	24,302	*25,152*	-	25,152	*26,033*	-	26,033
Audit Expense	3.5%	3.5%		*27,812*	-	27,812	*28,786*	-	28,786	*29,793*	-	29,793
Bookkeeping/Accounting Services	3.5%	3.5%		*24,117*	-	24,117	*24,961*	-	24,961	*25,834*	-	25,834
Bad Debts	3.5%	3.5%		*30,463*	-	30,463	*31,529*	-	31,529	*32,633*	-	32,633
Miscellaneous	3.5%	3.5%		*46,292*	-	46,292	*47,913*	-	47,913	*49,589*	-	49,589
Sub-total Administration Expenses				***252,727***	**-**	**252,727**	***261,572***	**-**	**261,572**	***270,728***	**-**	**270,728**
Utilities												
Electricity	3.5%	3.5%		*106,654*	-	106,654	*110,387*	-	110,387	*114,251*	-	114,251
Water	3.5%	3.5%		*35,582*	-	35,582	*36,828*	-	36,828	*38,116*	-	38,116
Gas	3.5%	3.5%		*89,754*	-	89,754	*92,895*	-	92,895	*96,147*	-	96,147
Sewer	3.5%	3.5%		*144,095*	-	144,095	*149,138*	-	149,138	*154,358*	-	154,358
Sub-total Utilities				***376,085***	**-**	**376,085**	***389,248***	**-**	**389,248**	***402,872***	**-**	**402,872**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		*3,237*	-	3,237	*3,351*	-	3,351	*3,468*	-	3,468
Payroll Taxes	3.5%	3.5%		*79,174*	-	79,174	*81,945*	-	81,945	*84,813*	-	84,813
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		*8,189*	-	8,189	*8,476*	-	8,476	*8,772*	-	8,772
Sub-total Taxes and Licenses				***90,600***	**-**	**90,600**	***93,771***	**-**	**93,771**	***97,053***	**-**	**97,053**
Insurance												
Property and Liability Insurance	3.5%	3.5%		*282,433*	-	282,433	*292,318*	-	292,318	*302,549*	-	302,549
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		*31,670*	-	31,670	*32,778*	-	32,778	*33,925*	-	33,925
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				***314,103***	**-**	**314,103**	***325,096***	**-**	**325,096**	***336,475***	**-**	**336,475**
Maintenance & Repair												
Payroll	3.5%	3.5%		*326,089*	-	326,089	*337,502*	-	337,502	*349,315*	-	349,315
Supplies	3.5%	3.5%		*41,843*	-	41,843	*43,308*	-	43,308	*44,824*	-	44,824
Contracts	3.5%	3.5%		*137,995*	-	137,995	*142,825*	-	142,825	*147,824*	-	147,824
Garbage and Trash Removal	3.5%	3.5%		*57,496*	-	57,496	*59,508*	-	59,508	*61,591*	-	61,591
Security Payroll/Contract	3.5%	3.5%		*286,043*	-	286,043	*296,055*	-	296,055	*306,417*	-	306,417
HVAC Repairs and Maintenance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		*405*	-	405	*419*	-	419	*434*	-	434
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				***849,871***	**-**	**849,871**	***879,617***	**-**	**879,617**	***910,403***	**-**	**910,403**
Supportive Services	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses						-			-			-
TOTAL OPERATING EXPENSES				***2,518,704***	**-**	**2,518,704**	***2,606,859***	**-**	**2,606,859**	***2,698,099***	**-**	**2,698,099**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				*1*	-	1	*1*	-	1	*1*	-	1
Bond Monitoring Fee				*2,500*	-	2,500	*2,500*	-	2,500	*2,500*	-	2,500
Replacement Reserve Deposit				*70,500*	-	70,500	*70,500*	-	70,500	*70,500*	-	70,500
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***73,001***	**-**	**73,001**	***73,001***	**-**	**73,001**	***73,001***	**-**	**73,001**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				***2,591,705***	**-**	**2,591,705**	***2,679,860***	**-**	**2,679,860**	***2,771,100***	**-**	**2,771,100**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				***41,781***	**-**	**41,781**	***43,243***	**-**	**43,243**	***44,757***	**-**	**44,757**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-
TOTAL HARD DEBT SERVICE				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CASH FLOW (NOI minus DEBT SERVICE)				***41,781***	**-**	**41,781**	***43,243***	**-**	**43,243**	***44,757***	**-**	**44,757**
Commercial Only Cash Flow						**-**			**-**			**-**
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				***41,781***	**-**	**41,781**	***43,243***	**-**	**43,243**	***44,757***	**-**	**44,757**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	*34,226*	-	34,226	*35,424*	-	35,424	*36,663*	-	36,663
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	*7,555*	-	7,555	*7,820*	-	7,820	*8,093*	-	8,093
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				***41,781***	**-**	***41,781***	***43,243***	**-**	***43,243***	***44,757***	**-**	***44,757***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				0	-	**0**	(0)	-	**(0)**	0	-	**0**
Does Project have a MOHCD Residual Receipt Obligation?		***No***										
Will Project Defer Developer Fee?		***No***										
Residual Receipts split for all years. - Lender/Owner		*0% / 0%*										
		Dist. Soft				-			-			-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		*Debt Loans*										
MOHCD Residual Receipts Amount Due		*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						**-**			**-**			**-**
REMAINDER (Should be zero unless there are distributions below)						**0**			**-**			**0**
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses												
Final Balance (should be zero)						**-**			**-**			**-**
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						**846,000**			**916,500**			**987,000**
Replacement Reserve Deposits						**70,500**			**70,500**			**70,500**
Replacement Reserve Withdrawals (ideally tied to CNA)						**-**			**-**			**-**
Replacement Reserve Interest												
RR Running Balance						**916,500**			**987,000**			**1,057,500**
			RR Balance/Unit			*$6,500*			*$7,000*			*$7,500*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						**-**			**-**			**-**
Operating Reserve Deposits						**-**			**-**			**-**
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance						**-**			**-**			**-**
			OR Balance as a % of Prior Yr Op Exps + Debt Service			*0.0%*			*0.0%*			*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance						**-**			**-**			**-**
Other Reserve 1 Deposits						**-**			**-**			**-**
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance						**-**			**-**			**-**
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance						**-**			**-**			**-**
Other Reserve 2 Deposits						**-**			**-**			**-**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						**-**			**-**			**-**

Mission Bay South Block 9

	LOSP Units	Non-LOSP Units
Total # Units:		
141	*141*	*0*
	100.00%	*0.00%*

INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 16 2036 LOSP	Year 16 2036 non-LOSP	Year 16 2036 Total	Year 17 2037 LOSP	Year 17 2037 non-LOSP	Year 17 2037 Total	Year 18 2038 LOSP	Year 18 2038 non-LOSP	Year 18 2038 Total
Residential - Tenant Rents	1.0%	2.5%		585,128	-	585,128	590,980	-	590,980	596,889	-	596,889
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		2,355,985		2,355,985	2,449,786		2,449,786	2,547,009		2,547,009
Commercial Space	n/a	2.5%				-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				***2,941,113***	**-**	**2,941,113**	***3,040,766***	**-**	**3,040,766**	***3,143,899***	**-**	**3,143,899**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(29,256)	-	(29,256)	(29,549)	-	(29,549)	(29,844)	-	(29,844)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				***2,911,857***	**-**	**2,911,857**	***3,011,217***	**-**	**3,011,217**	***3,114,054***	**-**	**3,114,054**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	227,981	-	227,981	235,961	-	235,961	244,219	-	244,219
Asset Management Fee	3.5%	3.5%	per MOHCD policy	37,980	-	37,980	39,309	-	39,309	40,685	-	40,685
Sub-total Management Expenses				***265,962***	**-**	**265,962**	***275,270***	**-**	**275,270**	***284,905***	**-**	**284,905**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		41,028	-	41,028	42,464	-	42,464	43,950	-	43,950
Manager's Salary	3.5%	3.5%		199,092	-	199,092	206,061	-	206,061	213,273	-	213,273
Health Insurance and Other Benefits	3.5%	3.5%		198,307	-	198,307	205,248	-	205,248	212,431	-	212,431
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				***438,427***	**-**	**438,427**	***453,772***	**-**	**453,772**	***469,654***	**-**	**469,654**
Administration												
Advertising and Marketing	3.5%	3.5%		1,096	-	1,096	1,134	-	1,134	1,174	-	1,174
Office Expenses	3.5%	3.5%		109,489	-	109,489	113,321	-	113,321	117,287	-	117,287
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		26,944	-	26,944	27,887	-	27,887	28,863	-	28,863
Audit Expense	3.5%	3.5%		30,836	-	30,836	31,915	-	31,915	33,032	-	33,032
Bookkeeping/Accounting Services	3.5%	3.5%		26,739	-	26,739	27,674	-	27,674	28,643	-	28,643
Bad Debts	3.5%	3.5%		33,775	-	33,775	34,957	-	34,957	36,181	-	36,181
Miscellaneous	3.5%	3.5%		51,325	-	51,325	53,121	-	53,121	54,981	-	54,981
Sub-total Administration Expenses				***280,203***	**-**	**280,203**	***290,010***	**-**	**290,010**	***300,160***	**-**	**300,160**
Utilities												
Electricity	3.5%	3.5%		118,249	-	118,249	122,388	-	122,388	126,672	-	126,672
Water	3.5%	3.5%		39,451	-	39,451	40,831	-	40,831	42,260	-	42,260
Gas	3.5%	3.5%		99,512	-	99,512	102,995	-	102,995	106,600	-	106,600
Sewer	3.5%	3.5%		159,760	-	159,760	165,352	-	165,352	171,139	-	171,139
Sub-total Utilities				***416,972***	**-**	**416,972**	***431,566***	**-**	**431,566**	***446,671***	**-**	**446,671**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		3,589	-	3,589	3,715	-	3,715	3,845	-	3,845
Payroll Taxes	3.5%	3.5%		87,781	-	87,781	90,854	-	90,854	94,034	-	94,034
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		9,079	-	9,079	9,397	-	9,397	9,726	-	9,726
Sub-total Taxes and Licenses				***100,450***	**-**	**100,450**	***103,966***	**-**	**103,966**	***107,605***	**-**	**107,605**
Insurance												
Property and Liability Insurance	3.5%	3.5%		313,139	-	313,139	324,098	-	324,098	335,442	-	335,442
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		35,113	-	35,113	36,342	-	36,342	37,613	-	37,613
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				***348,251***	**-**	**348,251**	***360,440***	**-**	**360,440**	***373,055***	**-**	**373,055**
Maintenance & Repair												
Payroll	3.5%	3.5%		361,541	-	361,541	374,195	-	374,195	387,292	-	387,292
Supplies	3.5%	3.5%		46,392	-	46,392	48,016	-	48,016	49,697	-	49,697
Contracts	3.5%	3.5%		152,997	-	152,997	158,352	-	158,352	163,895	-	163,895
Garbage and Trash Removal	3.5%	3.5%		63,747	-	63,747	65,978	-	65,978	68,287	-	68,287
Security Payroll/Contract	3.5%	3.5%		317,141	-	317,141	328,241	-	328,241	339,730	-	339,730
HVAC Repairs and Maintenance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		449	-	449	464	-	464	481	-	481
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				***942,267***	**-**	**942,267**	***975,247***	**-**	**975,247**	***1,009,381***	**-**	**1,009,381**
Supportive Services	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses						-			-			-
TOTAL OPERATING EXPENSES				***2,792,532***	**-**	**2,792,532**	***2,890,271***	**-**	**2,890,271**	***2,991,430***	**-**	**2,991,430**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				1	-	1	1	-	1	1	-	1
Bond Monitoring Fee				2,500	-	2,500	2,500	-	2,500	2,500	-	2,500
Replacement Reserve Deposit				70,500	-	70,500	70,500	-	70,500	70,500	-	70,500
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***73,001***	**-**	**73,001**	***73,001***	**-**	**73,001**	***73,001***	**-**	**73,001**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				***2,865,533***	**-**	**2,865,533**	***2,963,272***	**-**	**2,963,272**	***3,064,431***	**-**	**3,064,431**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				***46,323***	**-**	**46,323**	***47,945***	**-**	**47,945**	***49,623***	**-**	**49,623**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-
TOTAL HARD DEBT SERVICE				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CASH FLOW (NOI minus DEBT SERVICE)				***46,323***	**-**	**46,323**	***47,945***	**-**	**47,945**	***49,623***	**-**	**49,623**
Commercial Only Cash Flow						**-**			**-**			**-**
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				***46,323***	**-**	**46,323**	***47,945***	**-**	**47,945**	***49,623***	**-**	**49,623**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	37,947	-	37,947	39,275	-	39,275	40,649	-	40,649
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	8,377	-	8,377	8,670	-	8,670	8,973	-	8,973
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				*46,323*	-	*46,323*	*47,945*	-	*47,945*	*49,623*	-	*49,623*
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				0	-	**0**	(0)	-	**(0)**	0	-	**0**
Does Project have a MOHCD Residual Receipt Obligation?		***No***										
Will Project Defer Developer Fee?		***No***										
Residual Receipts split for all years. - Lender/Owner		*0% / 0%*										

MOHCD RESIDUAL RECEIPTS DEBT SERVICE	*Dist. Soft Debt Loans*	Comments	Year 16 Total	Year 17 Total	Year 18 Total
MOHCD Residual Receipts Amount Due	*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
HCD Residual Receipts Amount Due	*0.00%*	No HCD Financing	-	-	-
Lender 4 Residual Receipts Due	*0.00%*		-	-	-
Lender 5 Residual Receipts Due	*0.00%*		-	-	-
Total Non-MOHCD Residual Receipts Debt Service			**-**	**-**	**-**
REMAINDER (Should be zero unless there are distributions below)			**0**	**-**	**0**
Owner Distributions/Incentive Management Fee			-	-	-
Other Distributions/Uses					
Final Balance (should be zero)			**-**	**-**	**-**
REPLACEMENT RESERVE - RUNNING BALANCE					
Replacement Reserve Starting Balance			**1,057,500**	**1,128,000**	**1,198,500**
Replacement Reserve Deposits			**70,500**	**70,500**	**70,500**
Replacement Reserve Withdrawals (ideally tied to CNA)			**-**	**-**	**-**
Replacement Reserve Interest					
RR Running Balance			**1,128,000**	**1,198,500**	**1,269,000**
		RR Balance/Unit	*$8,000*	*$8,500*	*$9,000*
OPERATING RESERVE - RUNNING BALANCE					
Operating Reserve Starting Balance			**-**	**-**	**-**
Operating Reserve Deposits			**-**	**-**	**-**
Operating Reserve Withdrawals					
Operating Reserve Interest					
OR Running Balance			**-**	**-**	**-**
		OR Balance as a % of Prior Yr Op Exps + Debt Service	*0.0%*	*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE					
Other Reserve 1 Starting Balance			**-**	**-**	**-**
Other Reserve 1 Deposits			**-**	**-**	**-**
Other Reserve 1 Withdrawals					
Other Reserve 1 Interest					
Other Required Reserve 1 Running Balance			**-**	**-**	**-**
OTHER RESERVE 2 - RUNNING BALANCE					
Other Reserve 2 Starting Balance			**-**	**-**	**-**
Other Reserve 2 Deposits			**-**	**-**	**-**
Other Reserve 2 Withdrawals					
Other Reserve 2 Interest					
Other Required Reserve 2 Running Balance			**-**	**-**	**-**

Mission Bay South Block 9

	LOSP Units	Non-LOSP Units							
Total # Units:									
141	***141***	***0***							
	100.00%	*0.00%*			**Year 19 2039**			**Year 20 2040**	
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Residential - Tenant Rents	1.0%	2.5%		602,858	-	602,858	608,887	-	608,887
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		2,647,776		2,647,776	2,752,211		2,752,211
Commercial Space	n/a	2.5%				-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-	
Gross Potential Income				***3,250,634***	**-**	**3,250,634**	***3,361,098***	**-**	**3,361,098**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(30,143)	-	(30,143)	(30,444)	-	(30,444)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-
EFFECTIVE GROSS INCOME				***3,220,491***	**-**	**3,220,491**	***3,330,653***	**-**	**3,330,653**
OPERATING EXPENSES									
Management									
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	252,767	-	252,767	261,614	-	261,614
Asset Management Fee	3.5%	3.5%	per MOHCD policy	42,109	-	42,109	43,583	-	43,583
Sub-total Management Expenses				***294,876***	**-**	**294,876**	***305,197***	**-**	**305,197**
Salaries/Benefits									
Office Salaries	3.5%	3.5%		45,488	-	45,488	47,080	-	47,080
Manager's Salary	3.5%	3.5%		220,737	-	220,737	228,463	-	228,463
Health Insurance and Other Benefits	3.5%	3.5%		219,866	-	219,866	227,562	-	227,562
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-
Sub-total Salaries/Benefits				***486,092***	**-**	**486,092**	***503,105***	**-**	**503,105**
Administration									
Advertising and Marketing	3.5%	3.5%		1,215	-	1,215	1,257	-	1,257
Office Expenses	3.5%	3.5%		121,392	-	121,392	125,641	-	125,641
Office Rent	3.5%	3.5%		-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		29,873	-	29,873	30,919	-	30,919
Audit Expense	3.5%	3.5%		34,189	-	34,189	35,385	-	35,385
Bookkeeping/Accounting Services	3.5%	3.5%		29,646	-	29,646	30,683	-	30,683
Bad Debts	3.5%	3.5%		37,447	-	37,447	38,758	-	38,758
Miscellaneous	3.5%	3.5%		56,905	-	56,905	58,897	-	58,897
Sub-total Administration Expenses				***310,666***	**-**	**310,666**	***321,539***	**-**	**321,539**
Utilities									
Electricity	3.5%	3.5%		131,105	-	131,105	135,694	-	135,694
Water	3.5%	3.5%		43,740	-	43,740	45,270	-	45,270
Gas	3.5%	3.5%		110,331	-	110,331	114,192	-	114,192
Sewer	3.5%	3.5%		177,129	-	177,129	183,329	-	183,329
Sub-total Utilities				***462,304***	**-**	**462,304**	***478,485***	**-**	**478,485**
Taxes and Licenses									
Real Estate Taxes	3.5%	3.5%		3,980	-	3,980	4,119	-	4,119
Payroll Taxes	3.5%	3.5%		97,325	-	97,325	100,731	-	100,731
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		10,066	-	10,066	10,419	-	10,419
Sub-total Taxes and Licenses				***111,371***	**-**	**111,371**	***115,269***	**-**	**115,269**
Insurance									
Property and Liability Insurance	3.5%	3.5%		347,182	-	347,182	359,334	-	359,334
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		38,930	-	38,930	40,293	-	40,293
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-
Sub-total Insurance				***386,112***	**-**	**386,112**	***399,626***	**-**	**399,626**
Maintenance & Repair									
Payroll	3.5%	3.5%		400,847	-	400,847	414,877	-	414,877
Supplies	3.5%	3.5%		51,436	-	51,436	53,236	-	53,236
Contracts	3.5%	3.5%		169,631	-	169,631	175,568	-	175,568
Garbage and Trash Removal	3.5%	3.5%		70,677	-	70,677	73,151	-	73,151
Security Payroll/Contract	3.5%	3.5%		351,620	-	351,620	363,927	-	363,927
HVAC Repairs and Maintenance	3.5%	3.5%		-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		497	-	497	515	-	515
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				***1,044,709***	**-**	**1,044,709**	***1,081,274***	**-**	**1,081,274**
Supportive Services	3.5%	3.5%		-	-	-	-	-	-
Commercial Expenses						-			-
TOTAL OPERATING EXPENSES				***3,096,131***	**-**	**3,096,131**	***3,204,495***	**-**	**3,204,495**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)									
Reserves/Ground Lease Base Rent/Bond Fees									
Ground Lease Base Rent				1	-	1	1	-	1
Bond Monitoring Fee				2,500	-	2,500	2,500	-	2,500
Replacement Reserve Deposit				70,500	-	70,500	70,500	-	70,500
Operating Reserve Deposit				-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***73,001***	**-**	**73,001**	***73,001***	**-**	**73,001**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				***3,169,132***	**-**	**3,169,132**	***3,277,496***	**-**	**3,277,496**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)									
NET OPERATING INCOME (INCOME minus OP EXPENSES)				***51,360***	**-**	**51,360**	***53,157***	**-**	**53,157**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)									
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Commercial Hard Debt Service						-			-
TOTAL HARD DEBT SERVICE				**-**	**-**	**-**	**-**	**-**	**-**
CASH FLOW (NOI minus DEBT SERVICE)				***51,360***	**-**	**51,360**	***53,157***	**-**	**53,157**
Commercial Only Cash Flow						-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-	
AVAILABLE CASH FLOW				***51,360***	**-**	**51,360**	***53,157***	**-**	**53,157**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***						
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL									
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	42,072	-	42,072	43,545	-	43,545
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	9,287	-	9,287	9,613	-	9,613
Other Payments				-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				***51,360***	**-**	***51,360***	***53,157***	**-**	***53,157***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				0	-	**0**	0	-	**0**
Does Project have a MOHCD Residual Receipt Obligation?		***No***							
Will Project Defer Developer Fee?		***No***							
Residual Receipts split for all years. - Lender/Owner		*0% / 0%*							
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		*Dist. Soft Debt Loans*							
MOHCD Residual Receipts Amount Due		*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE									
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-
Total Non-MOHCD Residual Receipts Debt Service						**-**			**-**
REMAINDER (Should be zero unless there are distributions below)						**0**			**0**
Owner Distributions/Incentive Management Fee						-			-
Other Distributions/Uses									
Final Balance (should be zero)						**-**			**-**
REPLACEMENT RESERVE - RUNNING BALANCE									
Replacement Reserve Starting Balance						**1,269,000**			**1,339,500**
Replacement Reserve Deposits						**70,500**			**70,500**
Replacement Reserve Withdrawals (ideally tied to CNA)						**-**			**-**
Replacement Reserve Interest									
RR Running Balance						**1,339,500**			**1,410,000**
			RR Balance/Unit			*$9,500*			*$10,000*
OPERATING RESERVE - RUNNING BALANCE									
Operating Reserve Starting Balance						**-**			**-**
Operating Reserve Deposits						**-**			**-**
Operating Reserve Withdrawals									
Operating Reserve Interest									
OR Running Balance						**-**			**-**
			OR Balance as a % of Prior Yr Op Exps + Debt Service			*0.0%*			*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE									
Other Reserve 1 Starting Balance						**-**			**-**
Other Reserve 1 Deposits						**-**			**-**
Other Reserve 1 Withdrawals									
Other Reserve 1 Interest									
Other Required Reserve 1 Running Balance						**-**			**-**
OTHER RESERVE 2 - RUNNING BALANCE									
Other Reserve 2 Starting Balance						**-**			**-**
Other Reserve 2 Deposits						**-**			**-**
Other Reserve 2 Withdrawals									
Other Reserve 2 Interest									
Other Required Reserve 2 Running Balance						**-**			**-**

EXHIBIT C

Tenant Income Certification Form

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
		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)*	*(Date)*	Signature
Signature *(Date)*	*(Date)*	Signature

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
- Single parent/dependent child
- 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*	*Income Status*	*Income Status*	*Income Status*
	☐ ≤ 50% AMGI	☐ 50% AMGI	☐ 50% AMGI	☐ __________
	☐ ≤ 60% AMGI	☐ 60% AMGI	☐ 80% AMGI	☐ __________
	☐ ≤ 80% AMGI	☐ 80% AMGI	☐ OI**	☐ OI**
	☐ OI**	☐ OI**		

** Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

SIGNATURE OF OWNER/REPRESENTATIVE DATE

EXHIBIT D

Form of Promissory Note

PROMISSORY NOTE

Principal Amount: $______________ San Francisco, CA

Date: _________________

FOR VALUE RECEIVED, the undersigned, Mission Bay 9 LP, a California limited partnership ("Maker"), hereby promises to pay to the order of 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, commonly referred to as the Office of Community Investment and Infrastructure ("OCII"), including any successors or assigns), or holder (as the case may be, "**Holder**"), the principal sum of _______________________________________ DOLLARS ($_____________) (the "**Funding Amount**"), or so much of the Funding Amount as may be disbursed from time to time pursuant to the Agreement described in Section 1 below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note ("**Note**") is given under the terms of a Loan Agreement by and between Maker and Holder (the "**Agreement**") dated as of the date set forth above, which Agreement is incorporated herein by reference. Unless otherwise specified herein, definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control. A previous note by Borrower for OCII dated February 20, 2018 in the amount of Five Million Dollars ($5,000,000) (the "Original Note") has been cancelled and returned to Borrower, and this Note replaces the Original Note in its entirety.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of [one and one-half percent (1.5%)] per annum, simple interest, from the date of disbursement of funds by Holder through the date of full payment of all amounts owing under the OCII Documents. Prior to the Loan Closing Date, the OCII Executive Director and MOHCD Director collectively may decrease the interest rate to any interest rate between 3% and 0%. Any rate change will be documented through an amended and restated note. Interest on the principal disbursed under the Original Note that has accrued as of the date of this Note is _____ Dollars ($________).

3. Default Interest Rate. Upon the occurrence of an Event of Default under any OCII Document, interest will be deemed to have accrued on the outstanding principal balance of the Loan at a compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, commencing on the date on which Maker receives written notice from Holder of the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the OCII Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any OCII Document.

4. Repayment of Funding Amount. Maker must repay all amounts owing under the OCII Documents in accordance with Section 3.1 of the Agreement.

All payments will be applied in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Loan. The unpaid principal balance of the Loan, together with all accrued and unpaid interest and unpaid costs and fees incurred, will be due and payable on the Maturity Date. Any Payment Date, including the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

Prior to Loan Closing, if this Note becomes due and payable, and provided no Event of Default under any of the OCII Documents is then continuing, the Maker may satisfy this Note in full by either (i) making payment in full; or (ii) delivering to the Holder all of the following: (x) the Work Product, as such term is defined in the Agreement, (y) an assignment to the Holder of all of Maker's right, title and interest in and to said Work Product (which assignment shall be in the substantial form of the Assignment of Work Product attached as Exhibit __ to the Agreement); and (z) the written consent to such assignment of any architect, engineer or other person or firm that has any right, title or interest in or to the Work Product, to the extent Maker is able to obtain such consent using commercially reasonable efforts.

5. Security. Maker's obligations under this Note are secured by (i) prior to the Maker's obtaining a leasehold interest in the Site, the pledge of Work Product given in the Assignment of Work Product, or (ii) on the date that the Maker obtains a leasehold interest in the Site, by the Deed of Trust. The Loan is non-recourse to Maker and its partners and their members.

6. Terms of Payment.

6.1 All Payments must be made in currency of the United States of America then lawful for payment of public and private debts.

6.2 All Payments must be made payable to Holder and mailed or delivered in person to Holder's office at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, or to any other place Holder from time to time designates.

6.3 In no event will Maker be obligated under the terms of this Note to pay interest exceeding the lawful rate. Accordingly, if the payment of any sum by Maker pursuant to the terms of this Note would result in the payment of interest exceeding the amount that Holder may charge legally under applicable state and/or federal law, the amount by which the payment exceeds the amount payable at the lawful interest rate will be deducted automatically from the principal balance owing under this Note.

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Subject to the terms in this Note, Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note.

6.5 Subject to this Section, Holder will not seek or obtain judgment against Maker for the payment of any amounts due under this Note following a judicial or nonjudicial foreclosure of the Deed of Trust, or exercise of Holder's rights under the Assignment of Work Product, and Holder's sole recourse against Maker for any default under this Note will be limited to the collateral for the Loan, *provided*, *however*, that this Section will be deemed void and of no effect if Maker challenges Holder's right to foreclose following an Event of Default in any legal proceeding on the grounds that the OCII Documents are not valid and enforceable under California law. This provision does not limit in any way Holder's right to recover from Maker sums incurred by Holder as a result of Maker's fraud, willful misrepresentation, misapplication of funds (including Loan funds and Rents (as defined in the Deed of Trust)), waste or negligent or intentional damage to the collateral for the Loan.

6.6 This Note may be prepaid in whole or in part at any time, and from time to time, without penalty provided that notice is given to Holder no later than sixty (60) days prior to prepayment.

7. Default.

7.1 Any of the following will constitute an "**Event of Default**" under this Note:

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Loan subject to all applicable notice and cure rights.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the OCII Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the Loan, together with all accrued and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

8. Waivers.

8.1 Maker expressly agrees that the term of this Note or the date of any payment due hereunder may be extended from time to time with Holder's consent, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Maker.

8.2 No extension of time for any Payment made by agreement by Holder with any person now or hereafter liable for the payment of this Note will operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

8.3 The obligations of Maker under this Note are absolute, and Maker waives any and all rights to offset, deduct or withhold any Payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

9.1 All notices to Holder or Maker must be given in the manner and at the addresses set forth in the Agreement, or to the addresses Holder and/or Maker hereafter designate in accordance with the Agreement.

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

9.3 This Note may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

9.4 This Note is governed by and must be construed in accordance with the laws of the State of California, without regard to the choice of law rules of the State.

9.5 Time is of the essence in the performance of any obligations hereunder.

"MAKER"

Mission Bay 9 LP, a California limited partnership

By: Mission Bay 9 CHP LLC, a California limited liability company, its managing general partner

By: Community Housing Partnership, a California nonprofit public benefit corporation, its sole and managing member

By: ______________________
Rick Aubry, Chief Executive Officer

By: Mission Bay 9 LLC, a California limited liability company, its administrative general partner

By: BRIDGE Housing Corporation, a California nonprofit public benefit corporation, its sole and managing member

By: ______________________
Cynthia Parker, President & Chief Executive Officer

EXHIBIT E
Contract Compliance Policies

1. Equal Opportunity Policies. Borrower shall comply with OCII's Equal Opportunity Policies and execute agreements and declarations attached hereto as part of this Exhibit E, which includes: Small Business Enterprise Agreement, Construction Workforce Agreement, Prevailing Wage Provisions (Labor Standards), Nondiscrimination in Contracts and Benefits, Minimum Compensation Policy, and Health Care Accountability Policy. In order to carry out the purpose of these policies, Borrower must incorporate, or cause to be incorporated, in all contracts, subcontracts and agreements executed or amended relating to activities under the Agreement, provisions similar to the policies listed herein:

(i) Small Business Enterprise (SBE) Policy (adopted by Resolution No. 43-2015) which requires execution of the SBE Agreement attached as Exhibit E-1.

(ii) Construction Workforce, attached as set forth in Exhibit E-2.

(iii) Prevailing Wage Provisions (Labor Standards) (adopted by Resolution No. 327-1985) attached as Exhibit E-3.

(iv) Nondiscrimination in Contracts and Benefits (adopted by Resolution No. 175-1997) which requires execution of the Nondiscrimination in Contracts and Benefits Declaration Form attached as Exhibit E-4.

(v) Minimum Compensation Policy (adopted by Resolution No. 168-2001) which requires execution of the Minimum Compensation Policy Declaration attached as Exhibit E-5.

(vi) Health Care Accountability Policy (adopted by Resolution No. 168-2001) which requires execution of the Health Care Accountability Policy Declaration attached as Exhibit E-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. 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.

EXHIBIT E-1

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 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 only to hire qualified San Francisco residents as trainees. 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

A. Procedures For Trainee Hires

1. **Compliance with the Trainee Hiring Goal**

Design professionals will be deemed in compliance with this Agreement by meeting or exceeding the trainee hiring goal or by take the following steps in good faith towards compliance.

2. **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.

3. **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.

4. **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.

5. **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.

6. **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.

7. **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.

8. **<u>Termination of Trainee for Cause</u>**

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.

B. <u>Reporting Requirements For Trainee Hires</u>

1. **<u>Reporting</u>**

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. **<u>Report on Terminations</u>**

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).

V. **<u>TERM.</u>** 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. **<u>FIRST CONSIDERATION</u>.** 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. <u>ASSOCIATIONS AND JOINT VENTURES (JV).</u> OCII will recognize JVs and Associations between non-SBE firms and SBE firms where the SBE partner performs at least 35% of the work defined in the JV or Association agreement, and receives at least 35% (or a proportionate share, whichever is higher) of the dollars to be earned by the JV or Association. Under this arrangement, OCII will deem the JV or Association to be an SBE for the purposes of meeting the SBE goal. Due to the technical nature of the disciplines and the various standards of each industry, OCII will not require a standardized agreement. However, each JV and Association agreement must be in writing and contain, at a minimum, the following terms:

- Define the management of the agreement between the parties;
- Define the technical and managerial responsibilities of each party;
- Define the scope of work to be performed by each party, and where possible identify the percentage and break-down of scope of work for each party;
- Identify any additional subcontractors or consultants that will perform the work under the agreement;
- Define the schedule, duration, and deliverable of the agreement;
- Detail the fee schedule, fee breakdown, or division of compensation;
- Specify insurance requirements and/or if each party shall maintain its own insurance;
- Specify how additional work or changes in scope shall be negotiated or determined and which party shall be responsible for notifying OCII of the changes;
- Specify how claims and disputes will be resolved.

A copy of the JV or Association agreement must be provided to OCII for approval in order for the JV or Association to be recognized.

VIII. <u>CERTIFICATION.</u> 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 SBE Policy.

IX. <u>INCORPORATION.</u> 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.

X. <u>DEFINITIONS.</u> 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.

<u>Affiliates</u> 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.

Agency-Assisted Contract means, as applicable, the Development and Disposition Agreement, Land Disposition Agreement, Lease, Loan and Grant Agreements, and other similar contracts, and 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.

Agency Contract means personal services contracts, purchase requisitions, and other similar contracts and operations agreements that the Agency executes with for-profit or non-profit entities.

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 XIII, as well as those persons and entities who are subject to a default award provided that all of the requirements in Section XIII.L. have been met.

Association means an agreement between two parties established for the purpose of completing a specific task or project. The associate agreement shall provide the SBE associate a significant project management role and the SBE associate shall be recognized in marketing and collateral material. The Association shall be distinguished from traditional subcontracting arrangements via a written Association agreement that defines the management of the agreement, technical and managerial responsibilities of the parties, and defined scopes and percentages of work to be performed by each party with its own resources and labor force. Unlike the more formal Joint Venture, an Association does not require formation of a new business enterprise between the parties. The Associate agreement shall contain, at a minimum, provisions required by Section VII and be subject to OCII approval.

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.

Joint Venture means an entity established between two parties for the purposes of completing a venture or project. The Joint Venture agreement typically creates a separate business entity and requires acquisition of additional insurance for the newly created joint business entity. The Joint Venture agreement shall contain, at a minimum, provisions required by Section VII and be subject to OCII approval.

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), Hunters Point Shipyard, Mission Bay (North), Mission Bay (South), Rincon Point/South Beach, South of Market, and Transbay.

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:

Industry	OCII SBE Size Standard
Construction Contractors	$20,000,000
Specialty Construction Contractors	$14,000,000
Suppliers (goods/materials/ equipment and general services)	$10,000,000
Professional Services	$2,500,000
Trucking	$3,500,000

In addition, an economically disadvantaged business shall meet the other certification criteria described in Exhibit I of the SBE Policy in order to be considered an SBE by the Agency.

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 1120s for Corporations) to calculate the firm's three year average annual gross receipts. In addition, the calculation of a firm's size shall include the receipts of all affiliates.

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).

Specialty Construction Contractor means a contractor licensed by the Contractors State License Board under the "C" classification license pursuant to California Business and Professions Code Section 7058.

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.

XI. 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 that 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.

XII. 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 seven (7) 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.

XIII. PROCEDURES

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 XIII.

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 disagrees 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.

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 fail 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 XIII.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

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	Date
Print Your Name	Title
Company Name and Phone Number	

EXHIBIT E-2

CONSTRUCTION WORK FORCE AGREEMENT

I. **PURPOSE.** This Agreement is entered into between the Tenant and the Office of Community Investment and Infrastructure ("OCII" or "Agency"), as successor agency to the San Francisco Redevelopment Agency for the purposes of ensuring participation of San Francisco residents and equal employment opportunities in the construction work force involved in constructing any of the phases upon the Site covered by the underlying agreement to which this Agreement is attached hereto.

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 Mission Bay South 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 immediately 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. **<u>Arbitrator's Decision</u>.** 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. **<u>Default Award; No Requirement to Seek an Order Compelling Arbitration</u>.** 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	Date
______________________________	______________________________
Print Your Name	Title
______________________________	______________________________
Company Name	Phone Number

EXHIBIT E-3
PREVAILING WAGE PROVISIONS
(LABOR STANDARDS)

1. **Applicability**. These Prevailing Wage Provisions (hereinafter referred to as "Labor Standards") apply to any and all construction of the Project Improvements as defined in the underlying agreement between the Borrower and the Office of Community Investment and Infrastructure (OCII) "Successor Agency" of which this Exhibit E 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 Project 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 Project 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 Project that such construction lender is aware of these Labor Standards.

3. **Definitions**. The following definitions shall apply for purposes of this Exhibit E:

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 Project.

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 Project 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 §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 §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 §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.

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:

(i) The deduction is not otherwise prohibited by law; and

(ii) It is either:

1) 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

2) Provided for in a bona fide collective bargaining agreement between the Contractor and representatives of its employees; and

(iii) 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

(iv) 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. **<u>Apprentices and Trainees</u>**. 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. **<u>Overtime</u>**. No Contractor contracting for any part of the construction of the Project 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. **<u>Payrolls and Basic Records</u>**.

a. Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of its construction of the Project and preserved for a period of one year thereafter for all Laborers and Mechanics it employed in the construction of the Project. 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. 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 Project 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. 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 §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 Exhibit E 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. **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 §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 Project 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 Project to contain the Labor Standards as required by §2 ("Non-Conforming Contract"); or by reason of any failure to submit the payrolls or make records available as required by §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 Contractor, 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 Contractor 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 Contractor, 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 Contractor 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 Contractor shall continue to withhold the moneys until the dispute has been resolved either by agreement, or failing agreement, by arbitration as is provided in §14.pon 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 §14.

e. Withholding Certificates of Completion. The Agency may withhold any or all certificates of completion of the Project 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.

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 §4) and copies of all notices sent or received by the Agency pursuant to §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.

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 Project, 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.

SAN FRANCISCO REDEVELOPMENT AGENCY

N O T I C E   T O   E M P L O Y E E S

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

EXHIBIT E-4

Nondiscrimination in Contracts and Benefits

OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE (OCII)
(SUCCESSOR TO THE SAN FRANCISCO REDEVELOPMENT AGENCY)
DECLARATION FORM
Nondiscrimination in Contracts and Benefits

Section A

Is your company/organization currently certified by the City and County of San Francisco in compliance with Administrative Code 12B Equal Benefits Ordinance and will your company/organization ensure nondiscrimination in contracts and benefits pursuant to 12B on OCII contracts? If yes, please indicate below, skip Section B, and execute the Declaration in Section C. If no, please skip Section A and complete Sections B and C.

☐ My company/organization is certified and compliant with the 12B Equal Benefits Ordinance of the City and County of San Francisco and there has been no change in our 12B Declaration since certification. My company/organization agrees to ensure nondiscrimination in contracts and benefits pursuant to 12B on OCII contracts. (Please check box to affirm, if applicable)

Section B

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 Office of Community Investment and Infrastructure (successor to the San Francisco Redevelopment Agency) (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 Agency or the City?

❑ Yes ❑ No

If you answered "no" to any part of Question 1a or 1b, the 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 ________________________	❑	❑	❑
• Other ________________________	❑	❑	❑

d. 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 Agency. You need not document your "yes" answer to Question 1a or Question 1b.

Section C

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 _____ day of _________________, 20____, at ________________________________, __________.
(City) (State)

Name of Company/Organization: ____

Doing Business As (DBA): ____

Also Known As (AKA): ____

General Address: ____

Remittance Address (if different from above): ____

Name of Signatory: ____________________________ Title:____________________

(Please Print)

Signature: ____

Phone Number: ____________________ Federal Tax Identification Number: ______________________

Approximate number of employees in the U.S.:__________ 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: Office of Community Investment and Infrastructure (successor to the San Francisco Redevelopment Agency), One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103

EXHIBIT E-5
MINIMUM COMPENSATION POLICY (MCP) DECLARATION

What the Policy does. The Office of Community Investment and Infrastructure (OCII) (Successor Agency to the San Francisco Redevelopment Agency) adopted the Minimum Compensation Policy (MCP), which became effective on September 25, 2001. The MCP requires contractors and subcontractors to provide the following to their employees covered by the MCP on OCII contracts and subcontracts for services: for contractors with employees performing work in San Francisco, the Commercial Business MCP wage rate shall be no less than $17.00 per hour effective November 11, 2018. The Nonprofit MCP wage rate is $15.00 per hour effective July 1, 2018. The Minimum Compensation rate is adjusted on January 1 each year. Furthermore, 12 paid days off per year (or cash equivalent) and 10 days off without pay per year shall be offered.

OCII may require contractors to submit reports on the number of employees affected by the MCP.

Effect on OCII 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, OCII 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 OCII.

What this form does. Your signed declaration will help OCII's contracting practice. Sign this form if you can assure OCII that, beginning with the first OCII 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.

If you cannot make this assurance now, please do not return this form.

For more information, please see the complete text of the MCP, available from the OCII Contract Compliance Department at (415) 749-2400 or http://sfocii.org/policies-and-procedures.

Routing. Return this form to: Contract Compliance Department, Office of Community Investment and Infrastructure (Successor to the San Francisco Redevelopment Agency), 1 South Van Ness, Fifth Floor, San Francisco, CA 94103.

Declaration

Effective with the first OCII 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 Date

____
Print Name

________________________________ ____________________
Company Name Phone

EXHIBIT E-6
HEALTH CARE ACCOUNTABILITY POLICY (HCAP) DECLARATION

What the Policy does. The Office of Community Investment and Infrastructure ("OCII") (as Successor Agency to the Redevelopment Agency) adopted the San Francisco Health Care Accountability Policy (the "HCAP"), which became effective on September 25, 2001. The HCAP requires contractors and subcontractors that provide services to OCII, contractors and subcontractors that enter into leases with OCII, and parties providing services to tenants and sub-tenants on OCII property to choose between offering health plan benefits to their employees or making payments to OCII or directly to their employees.

Specifically, contractors can either: (1) offer the employee minimum standard health plan benefits approved by the OCII Commission; (2) pay OCII $5.15 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 $206 in any week) and OCII will appropriate the money for staffing and other resources to provide medical care for the uninsured (rates and amounts effective July 1, 2018 and subject to annual change).

OCII may require contractors to submit reports on the number of employees affected by the HCAP.

Effect on OCII 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, OCII can award a contract to that contractor **only if** the contract is exempt under the HCAP, or if the contract has received a waiver from OCII.

What this form does. Your signed declaration will help OCII's contracting practice. Sign this form if you can assure OCII that, beginning with the first OCII'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.

If you cannot make this assurance now, please do not return this form.

For more information, please see the complete text of the HCAP, available from the OCII Contract Compliance Department at: (415) 749-2400.

Routing. Return this form to: Contact Compliance Department, Office of Community Investment and Infrastructure (Successor to the San Francisco Redevelopment Agency), 1 South Van Ness Avenue, Fifth Floor, San Francisco, CA 94103.

Declaration

Effective with the first OCII 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 Date

____

Print Name

______________________________ _________________________

Company Name Phone

EXHIBIT F

Insurance Requirements

Subject to approval by the OCII Risk Manager of the insurers and policy forms, Borrower must obtain and maintain, or caused to be maintained, the insurance and bonds as set forth in this Exhibit F throughout the Compliance Term of this Agreement, or in accordance with the timeframes stated herein, at no expense to OCII.

A. Overview of Coverage Requirements. The following table summarizes required insurance policies and documentation. Please see Section B of this Exhibit F for more detailed descriptions of policy requirements.

Insurance Type	**Coverage Amount (Minimum)**	**Applicable Parties**	**Endorsement or Certificate Required**
Commercial General Liability (see Section B.1)	$1,000,000 per occurrence/ $2,000,000 aggregate*	Borrower's design and professional contractors; and Borrower (prior to start of construction)	Additional insured (see Section G) Completed Operations Coverage endorsement (on construction stage policy) (see Section G)
	$10,000,000 per occurrence/ $10,000,000 aggregate*	Borrower (upon construction start), general contractor, and subcontractors to the general contractor	
Automobile Liability (see Section B.2)	$1,000,000 per accident*	Borrower and Borrower's contractors	Additional insured (see Section G)
	$10,000,000 per accident*	Upon construction start – general contractor and subcontractors to the general contractor	
Worker's Compensation and Employer's Liability (see Section B.3)	As per statute for Workers Comp; $1,000,000 per accident; $1,000,000 per employee; and in aggregate for bodily injury by disease as respects Employers Liability*	Borrower and Borrower's contractors	Waiver of subrogation
Professional Liability (see Section B.4)	$2,000,000 per claim/ $2,000,000 aggregate	Borrower if engaged in any eligible design-related activities; and Borrower's design and professional contractors	None
Crime/Dishonesty (see Section B.5)	$3,000,000 per loss	Borrower	Loss payee endorsement
Pollution Liability/Asbestos –	$1,000,000 per claim/ $2,000,000 aggregate	Borrower or Borrower's construction contractor(s)	Additional insured (see Section G)

Insurance Type	Coverage Amount (Minimum)	Applicable Parties	Endorsement or Certificate Required
During Construction (see Section B.6)			
Builder's Risk – During Construction (see Section B.7a)	100% of replacement value	Borrower	Loss payee endorsement
Property Insurance – After Construction Completion (see Section B.7b)	100% of replacement value	Borrower or Borrower's property manager	Loss payee endorsement
Performance and Payment Bonds (see Section B.8)	100% of contract value	Borrower's construction contractors	OCII and Borrower named as dual obligees
Modular Factory Performance Insurance (see Section B.9)	100% of modular contract value	Modular manufacturer	General contractor named as loss payee

** Umbrella, excess liability policy, or owner controlled insurance program (OCIP) may be used to meet limits (see Section D)*

B. Minimum Scope and Limits of Insurance. Borrower and/or Borrower's Contractors must maintain insurance with limits no less than:

1) Commercial General Liability coverage, under Insurance Services Office occurrence form CG 00 01 or other form approved by OCII, with additional insured endorsement (form CG 20 10 or equivalent) (see Section G). Limits set forth below. Coverage must be included for contractual liability; explosion, collapse and underground (XCU); products and completed operations. Umbrella, Excess Liability, or an Owner Controlled Insurance Policy may be used to meet the terms of this section.

a. Before the start of demolition/construction if the Site is unoccupied, Borrower and Borrower's Contractors will maintain coverage of not less than One Million Dollars ($1,000,000) combined single limit per occurrence and Two Million Dollars ($2,000,000) annual aggregate limit. These limit requirements apply to Borrower's design and professional contractors throughout the required coverage period;

b. During demolition/construction and occupancy of the Site and ongoing operations of the Project, Borrower and its Construction Contractors and/or Property Manager will maintain coverage of not less than Ten Million Dollars ($10,000,000) combined single limit per occurrence and Ten Million Dollars ($10,000,000) annual aggregate limit. For subcontractors to the Construction General Contractor and the Property Manager, the Borrower, in consultation with the Construction General Contractor and the Property Manager, as appropriate, is required to assess the risks associated with such contractors and determine, authorize, and verify the appropriate level of coverage provided by the subcontractor or consultant;

c. The construction period general liability policy must include completed operations coverage for a minimum of ten (10) years. Borrower must provide a completed operations coverage endorsement (form CG 20 37 or equivalent) and OCII must be named as an additional insured pursuant Section G below.

2) Automobile Liability coverage for all owned, non-owned, scheduled, and hired automobiles under Insurance Services Office form number CA 00 01 or other form approved by OCII, with additional insured endorsement (see Section G). If Borrower does not own any automobiles, Borrower must provide OCII a written statement confirming that no automobiles are owned, and OCII will accept an Automobile Insurance policy providing coverage for Symbol 8 (hired autos) and Symbol 9 (non-owned autos), with additional insured endorsement. One Million Dollars ($1,000,000) per accident for bodily injury and property damage, combined single limit.

3) Worker's Compensation and Employer's Liability as required by the State of California. A waiver of subrogation naming OCII is required (also known as "transfer of rights of recovery against others to us"). Employer's Liability coverage must provide limits of One Million Dollars ($1,000,000) for bodily injury each accident; and not less than One Million Dollars ($1,000,000) per employee; and One Million Dollars ($1,000,000) in the annual aggregate for bodily injury by disease. If the Borrower does not have any employees, then evidence of Workers' Compensation and Employers Liability coverage required herein must be provided by either the Project Sponsor(s) or the General Partner of the Partnership, in lieu of such coverage being provided by the Borrower. Additionally, the Borrower must provide a written statement confirming that the Borrower does not have employees.

4) Professional Liability (Errors and Omissions) insurance, applicable to the Borrower's licensed design and professional contractors (architects, engineers, surveyors and other eligible consultants) and to the Borrower only if the Borrower or Sponsor has any employees providing design or engineering services. Two Million Dollars ($2,000,000) for each claim and in the annual aggregate limit covering negligent acts, errors or omissions in connection with professional services to be provided in connection with the Project. If the Professional Liability insurance is "claims made" coverage, these minimum limits shall be maintained for no less than five (5) years beyond completion of the scope of services performed. Any deductible over One Hundred Thousand Dollars ($100,000) each claim must be reviewed by OCII Risk Management.

   Design professionals who utilize the services of subcontractors or consultants to complete work in connection with this project are required to assess the risks associated with such contractors and, with the authorization of the Borrower, determine and verify the appropriate level of coverage provided by the subcontractor or consultant. The design professional and the Borrower shall assume costs and expenses that may be incurred in fulfilling any indemnity obligations as to itself or any subcontractors or consultants for whom the design professional and/or the Borrower are legally liable in the absence of adequate subcontractor or consultant coverage.

5) Crime Policy or Fidelity Bond (Employee Dishonesty Coverage) covering Borrower and Developer's officers and employees against employee dishonesty, forgery & alteration,

theft of money & securities, and theft via electronic means, endorsed to cover third party fidelity, covering all officers and employees with respect to the Funding Amount. Three Million Dollars ($3,000,000) each loss, with any deductible not to exceed Fifty Thousand Dollars ($50,000). Borrower must provide an endorsement naming OCII as an additional obligee or loss payee.

Application of Crime Insurance Proceeds. Borrower shall promptly notify OCII of any claim under the required Crime Insurance Policy. OCII may retain from the proceeds of the required Crime Insurance Policy, a sufficient amount of the proceeds to pay the Funding Amount, if any, and shall pay the balance to Borrower. For the avoidance of doubt, OCII shall have no right or claim to the proceeds of the required Crime Insurance Policy in excess of the Funding Amount.

6) Pollution Liability and/or Asbestos Pollution Liability applicable to the work being performed, with a limit no less than One Million Dollars ($1,000,000) per claim or occurrence and Two Million Dollars ($2,000,000) aggregate per policy period of one year, this coverage shall be endorsed to include Non-Owned Disposal Site coverage. This policy may be provided by the Borrower's construction contractor to maintain these minimum limits for no less than three (3) years beyond completion of the Project.

7) Property Insurance

    a. Builder's Risk Insurance during the course of any construction, 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 Fifty Thousand Dollars ($50,000) each loss, including OCII as loss payee. Builder's Risk must be maintained by the Borrower or the Borrower must cause its general contractor to maintain this insurance.

    b. Property Insurance after completion of construction, special form coverage, excluding earthquake and flood, but including vandalism and malicious mischief, and including boiler and machinery insurance, 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 loss payee. A waiver of subrogation naming OCII is required (also known as "transfer of rights of recovery against others to us").

8) Performance and Payment Bonds for eligible construction contractors during construction and/or rehabilitation, each in the amount of one hundred percent (100%) of contract amounts, naming OCII and Borrower as dual obligees, or other completion security approved by OCII in its sole discretion. OCII has approved issuance of a Completion Guaranty by an affiliate of Borrower to Borrower's institutional lender as completion

security. [Borrower to provide statement to explain that the Modular Work will be excluded from the Payment & Performance Bond for this Project]

9) Performance Insurance. Borrower shall require its general contractor to obtain performance insurance that insures against delay in delivery of modules, up to the amount of Borrower's or Borrower's general contractor's contract amount for the delivery of modules for the construction of the Project. Borrower shall limit general contractor's use of proceeds from the performance insurance policy to be used to solely to reduce cost overruns in the construction of the Project related to or caused by delay in the delivery of modules, and Borrower shall, and shall require general contractor, to obtain OCII's approval prior to expending such proceeds.

C. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions in excess of those required for policies stated herein must be declared to and approved by OCII. At the option of OCII, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents and employees; or Borrower shall provide a financial guarantee satisfactory to OCII guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Umbrella, Excess Liability, and Owner Controlled Insurance Policies (OCIP). An Umbrella and/or Excess Liability policy(ies) or an OCIP may be used to reach the Commercial General Liability, Workers' Compensation, and/or Automobile Liability coverage limits required herein. The Umbrella/Excess Liability/OCIP policy(ies) must appropriately schedule any such underlying policy(ies).

E. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of no less than A:VII, unless otherwise approved by OCII's Risk Manager.

F. General Requirements.

1) If the Borrower maintains additional coverages and/or higher limits than the minimums shown in this Exhibit F, OCII requires and shall be entitled to the additional coverage and/or the higher limits maintained by the Borrower.

2) The policies required herein, with the exception of Professional Liability and Workers Compensation, shall be primary insurance and non-contributory as respects to OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents, and employees. Any insurance or self-insurance maintained by OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents or employees shall be in excess of Borrower's insurance and shall not contribute with it.

3) Each insurance policy required herein must be endorsed (if endorsement is available) to state that coverage will not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice by mail has been

given to OCII. Should the insurance carrier not be able to provide such notice, then the responsibility to provide the notice to OCII shall be borne by the policyholder.

4) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to OCII, the City and County of San Francisco and their respective commissioners, members, officers, agents or employees.

5) Approval of Borrower's insurance by OCII will not relieve or decrease the liability of Borrower under this Agreement.

6) OCII and its officers, agents and employees will not be liable for any required premium under any policy maintained by Borrower.

7) 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 five (5) years after recordation of a notice of completion for builder's risk or the Compliance Term for general liability and property insurance.

G. Verification of Coverage. Borrower must furnish OCII with certificates of insurance and original endorsements evidencing coverage required by this clause. The certificates and applicable 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 OCII before work commences. OCII reserves the right to require complete, certified copies of all required insurance policies, including endorsements demonstrating the coverage required by these specifications at any time. Borrower shall require and verify that its contractors and consultants maintain the required policies as stated herein. Borrower must furnish OCII with copies of certificates and endorsements upon request. All certificates shall include the following:

1) Identify the following as the certificate holder:

Successor Agency to the Redevelopment Agency of the City and County of San Francisco
Office of Community Investment and Infrastructure
One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103

2) Identify the name of the insurance policy holder (Borrower, Developer, or Contractor), the Project name, and the Project address.

3) For policies in which OCII is required to be named as an additional insured, loss payee, dual obligee, or named on a waiver of subrogation, the policy shall name "Office of Community Investment and Infrastructure/Successor Agency to the Redevelopment Agency of the City and County of San Francisco, the City and County of San Francisco and their respective commissioners, members, officers, agents and employees" on the certificate and on the attached endorsement or certificate.

H. Review. OCII reserves the right to modify the insurance coverage under this Section, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances consistent with OCII's Risk Management Policy. The insurance coverage required under this Section shall be evaluated by OCII for adequacy from time to time. OCII may require Borrower to increase the insurance limits and/or forms of coverage in its reasonable discretion provided that such limits and/or coverage is generally available at commercially reasonable rates.

EXHIBIT G

Lobbying/Debarment Certification Form

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

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress or an employee of a member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

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

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

Mission Bay 9 LP, a California limited partnership

BY: ___________________________________

NAME: ___________________________________

TITLE: ______________________________________

DATE:____

<u>**EXHIBIT H**</u>

<u>Form of Annual Monitoring Report</u>

EXHIBIT I

Modular Work Disbursement Procedure

Pursuant to the production agreement between Borrower, its general contractor and the modular housing manufacturer (Factory OS) (the "Supply Agreement"), housing modules will be manufactured on a phased basis, with production deposits due for each phase prior to the start of work on the applicable phase, and with progress payments related to production draws, all according to critical path milestones established in the Supply Agreement Production Schedule (Exhibit D).

1. **Disbursements to the Supply Agreement Escrow Account.**
   OCII will disburse funds from the Additional Predevelopment Loan or Loan (as applicable) to Borrower for deposit into the Supply Agreement Escrow Account in accordance with the disbursement provisions of Article 4. Funds disbursed to the Supply Agreement Escrow Account shall only be used to make payments in accordance with paragraphs 3 & 4, below.

2. **Quality Control of Modular Work.**
   Borrower, in collaboration with design consultants, the owner's representative, and the general contractor, will establish and implement a plan for inspecting work performed by Factory OS during production at the factory and prior to accepting the modules and transporting them to the Site. The plan will include, at a minimum, regular oversight at Factory OS by the general contractor (at least every 48 hours) and at least semi-weekly in-person inspections by the Borrower's owner's representative.

3. **Disbursements from the Supply Agreement Escrow Account.**
   Under the Supply Agreement, Factory OS will submit draw requests to Borrower or Borrower's general contractor, which are to be paid from the production deposit funds held in the Supply Agreement Escrow Account. Prior to payment of the relevant Factory OS draw requests:

   a. **Weekly Production Commencement Draws.** Borrower shall, promptly upon receipt, provide OCII with HCD's assent to commencement(s) subject to a particular Commencement Draw. Separately, within three (3) business days of paying a particular Commencement Draw, Borrower shall provide to OCII documentation regarding the number of modules for which construction has commenced and the related dollar value of the funds withdrawn from the Supply Agreement Escrow Account for the relevant Commencement Draw payment.

   b. **Bi-monthly Completion Draws.** Withdrawal of funds held in the Supply Agreement Escrow Account to pay Bi-Monthly Completion Draws is subject to advance written approval of OCII. Borrower shall, promptly upon receipt, provide OCII with its inspection report (including remaining punch list items) of the work covered by the particular Bi-Monthly Completion Draw request. OCII shall, within 24 hours of receipt of the above-listed documentation, provide written approval of the requested draw. In the event that OCII does not provide a response within the stated timeframe, the draw may be funded with the consent of the Borrower. In addition, Borrower shall, within three (3) business days of paying a particular Bi-Monthly Completion Draw, provide to OCII any and all of the following documentation created for that Bi-Monthly Completion Draw:

i. A written statement from Factory OS, certified by the HCD inspector (or designee), that describes the number of modules for which construction is complete and the related dollar value amount of funds requested, and any outstanding punch-list items as identified by the general contractor and/or Borrower's owner's representative and the related reduction in funds to be disbursed; and
ii. Written reports or documentation from the general contractor evidencing inspection of each module for which a completion payment is requested; and
iii. Written confirmation from the Borrower's owner's representative certifying in-person inspection of each module for which a completion payment is requested and verifying agreement that the statement for the completion draw is accurate and correctly reflects work completed and outstanding.

c. **Retention Draw.** Factory OS will request a draw for funds held in retention at the earlier of the scheduled project completion (as established in the Supply Agreement) or the actual Completion Date. Borrower will provide OCII, promptly upon receipt, documentation of this withdrawal from the Supply Agreement Escrow Account. In the event that Borrower and/or the general contractor dispute the amount of the retention payment, all documentation related to the disputed funds or related incomplete work or work deficiencies shall be provided promptly to OCII.

OCII acknowledges that under the Supply Agreement, Borrower may incur monetary damages and work may be stopped if payments are not timely made to Factory OS.

4. **Change Orders for Modular Work.**
Borrower or its general contractor shall not approve change orders without OCII's prior review and approval. If Borrower is made aware of a potential change order, Borrower will inform OCII and provide advance copies of any available related documentation (documentation may include but is not limited to: requests for

information, submittals, photographs, and/or correspondence from Factory OS or the general contractor). In addition:

a. OCII will require the following documentation to consider a change order:

    i. Change order form prepared by Factory OS or the general contractor describing the proposed change and stating the change in cost; and
    ii. Any requests for information or submittals, including photographs, related to the proposed change.

b. Following receipt of the above documentation, OCII will provide any questions, comments, or requests for additional information within one (1) business day, and shall approve or disapprove any change orders within two (2) business days of its receipt of the information required in paragraph 4.a above and responses to any further questions or requests for information. In the event that OCII does not approve or disapprove the requested change order within this timeframe, OCII shall forgo change order approval and the change order may be approved at the discretion of the Borrower.

c. OCII acknowledges that under the Supply Agreement, Borrower or its general contractor must approve or deny change orders to the Modular Work within five (5) business days to avoid disruption to the factory production line and potential monetary damages.

5. OCII Inspection of Modular Work.
OCII reserves the right to review modules in production or stored at Factory OS premises, subject to any rules for access applicable to general contractor. OCII will coordinate with the Borrower at least 24 hours in advance to arrange any factory visits.

6. Delivery of Information Required Herein.
Information required for OCII's approval of draws or changes orders may, unless otherwise previously specified by OCII, be provided by electronic mail or electronic email notification that such information has been saved to an electronic database accessible by OCII staff. Such information shall be deemed received by OCII as of the date and time of delivery of the applicable electronic mail, provided that electronic mail dated after 5:00 pm on an business day, or delivered on a weekend day or OCII holiday, shall be deemed received the following business day. Information otherwise delivered shall be in accordance with Article 21 of the Loan Agreement.

EXHIBIT J

FORM OF DEED OF TRUST

Form of Deed of Trust

FREE RECORDING PURSUANT TO
GOVERNMENT CODE §27383 AT THE
REQUEST OF THE SUCCESSOR AGENCY TO
THE REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO

WHEN RECORDED RETURN TO:
The Successor Agency to the Redevelopment
Agency of the City and County of San
Francisco, One South Van Ness Avenue,
5th Floor, San Francisco, California 94103
Attn: Jane Suskin

Space above for Recorder

(Assessor's Block 8719, Lot 003)

LEASEHOLD DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING
(Mission Bay South Block 9)

THIS LEASEHOLD DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("**Deed of Trust**") is made as of ____________, by Mission Bay 9 LP, a California limited partnership ("**Trustor**"), whose address is ___________________________, to ______________("**Trustee**"), whose address is _______________________, for the benefit of 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 ("**Beneficiary**"). This Deed of Trust is executed pursuant to an Amended and Restated Loan Agreement by and between Trustor and Beneficiary dated as of __________________, as it may be amended from time to time (the "**Agreement**"), the provisions of which are incorporated herein by reference. Unless otherwise specified, definitions and rules of interpretation set forth in the Agreement apply to this Deed of Trust.

1. Grant in Trust. For valuable consideration, Trustor hereby grants, transfers and assigns to Trustee, in trust, with power of sale, for the benefit of Beneficiary, all right, title and interest Trustor now has or may have in the future in the following (all or any part of the following, or any interest in all or any part of it, as the context requires, the "**Property**"):

a. that real property situated in the City and County of San Francisco, State of California, described in **Exhibit A** attached hereto and incorporated herein by reference (the "**Land**"), on which Trustor intends to construct an affordable housing project with 141 residential units thereon, the “**Project**”; and

b. all buildings, structures and other improvements now or in the future located or to be constructed on the Land (the "**Improvements**"); and

c. all existing and future leases, subleases, tenancies, subtenancies, licenses, occupancy agreements and concessions ("**Leases**") relating to the use and enjoyment of all or any part of the Land and Improvements, and any and all guaranties and other agreements relating to or made in connection with any of the Leases; and

d. all of Trustor's interest in and under that certain Ground Lease dated as of ____________________, by and between Beneficiary, as lessor, and Trustor, as lessee, including any options of any nature whatsoever; and

e. except for personal property and removable fixtures installed by tenants or subtenants, all goods, materials, supplies, chattels, furniture, fixtures, equipment and machinery now or later to be attached to, placed in or on, or used in connection with the use, enjoyment, occupancy or operation of all or any part of the Land and Improvements, whether stored on the Land or elsewhere, including all pumping plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air conditioning, lighting, refrigeration and plumbing fixtures and equipment, all of which will be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust; and

f. all building materials, equipment, work in process or other personal property of any kind, whether stored on the Land or elsewhere, that have been or later will be acquired for the purpose of being delivered to, incorporated into or installed in or about the Land or Improvements; and

g. all Loan funds, whether disbursed or not, and all funds now or in the future on deposit in the Replacement Reserve Account, the Operating Reserve Account and any other account required or authorized for the Project; and

h. all proceeds, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements; and

i. all books and records pertaining to any and all of the property described above, including records relating to tenants under any Leases, the qualifications of any tenants and any certificates, vouchers and other documents in any way related thereto and records relating to the application and allocation of any federal, state or local tax credits or benefits; and

j. all rents, revenues, issues, royalties, proceeds and profits, including prepaid rent and security deposits ("**Rents**"), from the Land and the Improvements, subject to: (i) Trustor's right to collect and retain the same as they become due and payable; and (ii) Beneficiary's rights under Section 5(d); and

k. all proceeds of, interest accrued on, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

This Deed of Trust constitutes a security agreement under, and a fixture filing in accordance with, the California Uniform Commercial Code, as it may be amended from time to time. The filing of a financing statement pertaining to personal property may not be construed in any way as derogating from or impairing the lien of, or the rights or obligations of the parties under, this Deed of Trust.

2. Obligations Secured. This Deed of Trust is given for the purpose of securing the following (collectively, the "**Secured Obligations**"):

a. performance of all present and future obligations of Trustor set forth in the Agreement, specifically compliance with certain restrictions on the use of the Property recited in that certain Declaration of Restrictions executed by Trustor, dated as of the date of and being recorded concurrently with this Deed of Trust, as it may be amended from time to time, and the promissory note dated __________________ made by Trustor to the order of Beneficiary (as it may be amended from time to time, the "**Note**") and performance of each agreement incorporated by reference, contained therein, or entered into in connection with the Agreement;

b. payment of the indebtedness evidenced by the Agreement and the Note in the original principal amount of ____ DOLLARS ($__________________), according to the terms of the Agreement and the Note; and

c. payment of any additional sums Trustor may borrow or receive from Beneficiary, when evidenced by another note (or any other instrument) reciting that payment is secured by this Deed of Trust.

3. Trustor's Covenants. To protect the security of this Deed of Trust, Trustor agrees as follows:

a. to perform the Secured Obligations in accordance with their respective terms;

b. to keep the Land and the Improvements in good condition and repair, normal wear and tear and acts of God excepted; not to remove or demolish any Improvements without Beneficiary's prior written consent; to complete or restore promptly and in good and workmanlike manner any Improvement constructed, damaged or destroyed on the Land subject to available insurance proceeds; to pay when due all claims for labor performed and materials furnished therefor, subject to Trustor's right to contest any claim in good faith; to comply with all laws affecting the Project, subject to Trustor's right to contest any claim in good faith; not to commit or permit waste with respect to the Land or the Improvements; not to commit, suffer or permit any act upon the Land or the Improvements in violation of law, including Environmental Laws; and to do all other acts made reasonably necessary by the character or use of the Land and the Improvements;

c. to provide, maintain and deliver to Beneficiary property and liability insurance as required under the Agreement and apply any insurance proceeds as provided below;

d. to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and reasonable attorneys' fees and costs incurred in any such action or proceeding in which Beneficiary or Trustee may appear and in any suit brought by Beneficiary to foreclose this Deed of Trust following an Event of Default;

e. to pay in accordance with the Agreement, but in each case prior to delinquency: (i) all taxes and assessments affecting the Property, including assessments on appurtenant water stock; and (ii) all encumbrances, charges and liens, with interest, on the Property or any part thereof that appear to be prior or superior hereto;

f. should Trustor fail to make any payment or to do any act as herein provided, then, without: (i) obligation to do so; (ii) notice to or demand upon Trustor; or (iii) releasing Trustor from any obligation hereof, Beneficiary or Trustee may: (A) make or do the same in any manner and to the extent as it deems necessary to protect the security hereof; (B) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (C) pay, purchase, contest or compromise any encumbrance, charge or lien that in its judgment appears to be prior or superior hereto; and (D) in exercising these powers, pay necessary expenses, employ counsel and pay reasonable attorneys' fees and costs, and Trustor consents to Beneficiary's and/or Trustee's entry upon the Land and Improvements for any purpose set forth in this Subsection, including Beneficiary's exercise of its rights under California Code of Civil Procedure Section 564(c); and

g. to reimburse within five (5) days of demand all sums expended by Beneficiary or Trustee pursuant to this Deed of Trust, with interest at an annual rate of interest equal to the lesser of: (i) ten percent (10%); or (ii) the maximum lawful rate from date of expenditure to the date of payment.

4. Insurance and Condemnation Proceeds.

- Trustor hereby assigns to Beneficiary any award of damages arising from the condemnation of all or any part of the Property for public use and any insurance proceeds arising from injury to all or any part of the Property or the Project.

- Any condemnation award or insurance proceeds must be paid to Beneficiary or, if Beneficiary has consented to subordinate the lien of this Deed of Trust to the lien of another lender for the Project, according to the provisions in the senior lender's loan documents.

- If a condemnation award or insurance proceeds are paid to Beneficiary, Beneficiary will release or authorize the release of funds to Trustor, provided that the funds will be used for the reconstruction or repair of the Project in accordance with: (i) projections demonstrating that reconstruction is economically feasible; and (ii) Trustor's construction budget, each of which must be satisfactory to Beneficiary in its reasonable discretion. In all other cases, Beneficiary may choose in its discretion to apply funds to Trustor's obligations under the Note and the Agreement or to any senior obligations, in accordance with the respective priorities of the approved lienholders as their interests may appear of record, with the remaining funds, if any, released to Trustor.

- Trustor agrees that Beneficiary's application or release of funds pursuant to this Section will not cure or waive any default or Notice of Default (as defined below) or invalidate any act by Beneficiary performed following a default pursuant to any OCII Document unless the default has been cured by the application or release of funds.

5. Further Agreements. Trustor further acknowledges and agrees as follows:

Beneficiary does not waive its right either to require prompt payment when due of all other sums secured by this Deed of Trust or to declare Trustor in default for failure to pay timely by accepting payment of any sum secured hereby after its due date.

Trustee may reconvey any part of the Property at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Note for endorsement without affecting the liability of any entity or person for payment of the indebtedness secured hereby.

Upon: (i) written request of Beneficiary stating that all obligations secured hereby have been paid or performed; (ii) Beneficiary's surrender of this Deed of Trust and the Note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose; and (iii) payment of its fees, if any, Trustee shall reconvey the Property then held hereunder without covenant or warranty.

As additional security, and subject to the rights of senior lenders, Trustor hereby irrevocably, absolutely and unconditionally assigns to Beneficiary all Rents, whether now due, past due or to become due, subject to Beneficiary's grant to Trustor of a license to collect and retain Rents as they become due and payable so long as Trustor has not defaulted in performance of the Secured Obligations.

Any voluntary or involuntary conveyance, sale, encumbrance, pledge or other transfer of all or any interest in the Property or in Trustor, including a security interest, in violation of the Agreement will constitute an Event of Default (as defined below) giving Beneficiary the right to exercise its remedies at law or in equity.

For the purposes of this Deed of Trust, Beneficiary from time to time may substitute a successor or successors to Trustee named herein or acting hereunder by instrument in writing executed by Beneficiary and duly acknowledged and recorded in the office of the recorder of San Francisco County, which instrument shall be conclusive proof of proper substitution of a successor trustee or trustees. Without conveyance from Trustee, any successor or substitute trustee will succeed to all title, estate, rights, powers and duties of Trustee. The instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the recording information for this Deed of Trust and the name and address of the new Trustee.

This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns, provided that this subsection does not constitute Beneficiary's consent to any transfer in violation of this Deed of Trust. The term Beneficiary shall mean the holder of the Note, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or the neuter, and the singular number includes the plural.

Trustee accepts this Trust when this duly executed and acknowledged Deed of Trust is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

6. Beneficiary's Rights Following Default. Upon any default by Trustor in performance of the Secured Obligations following expiration of any applicable notice and cure periods including such notice and cure periods provided to the Investor Limited Partner ("**Event of Default**"):

a. Trustor's license to collect and retain Rents will terminate automatically.

b. Trustor consents to Beneficiary's entry upon and taking possession of the Property or any part thereof, at any time after the occurrence of an Event of Default without notice, either in person, by agent or by a receiver to be appointed by a court without regard to the adequacy of any security for the indebtedness hereby secured to sue for or otherwise collect and apply Rents, less costs and expenses of operation and collection, including those of the Property, in its own name or in the name of Trustor. Beneficiary's collection and application of Rents shall not cure or waive any Event of Default or Notice of Default or invalidate any act done pursuant to any notice.

c. Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold the Property ("**Notice of Default**"), and:

i. Trustee shall cause the Notice of Default to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, the Note and all documents evidencing expenditures secured hereby.

ii. After the lapse of time then required by law following the recordation of a Notice of Default, and notice of sale ("**Notice of Sale**") having been given as then required by law, Trustee without demand on Trustor may sell the Property at the time and place fixed in the Notice of Sale either as a whole or in separate parcels in any order at public auction to the highest bidder for cash in lawful money of the United States payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to any purchaser a trustee's deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the trustee's deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale.

iii. After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: (A) all sums expended under the terms of this Deed of Trust not then repaid, with accrued interest at the highest rate allowed by law in effect at the date hereof; (B) all other sums then secured hereby; and (C) the remainder, if any, to the person or persons legally entitled thereto.

7. Notice of Default to Trustor. The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to it at its address set forth above or any succeeding address given by notice in accordance with the Agreement. A copy of all notices delivered to Trustor hereunder shall be delivered to Trustor’s limited partner at the address provided in the Agreement.

"TRUSTOR:"

Mission Bay 9 LP, a California limited partnership

By: Mission Bay 9 CHP LLC, a California limited liability company, its managing general partner

By: Community Housing Partnership, a California nonprofit public benefit corporation, its sole and managing member

By: ______________________
Rick Aubry, Chief Executive Officer

By: Mission Bay 9 LLC, a California limited liability company, its administrative general partner

By: BRIDGE Housing Corporation, a California nonprofit public benefit corporation, its sole and managing member

By: ______________________
Cynthia Parker, President & Chief Executive Officer

[ALL SIGNATURES MUST BE NOTARIZED.]

EXHIBIT A
(Legal Description of the Property)

EXHIBIT K

FORM DECLARATION OF RESTRICTIONS

FREE RECORDING PURSUANT TO GOVERNMENT CODE §27383 AT THE REQUEST OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO

WHEN RECORDED RETURN TO:
The Successor Agency to the Redevelopment Agency of the City and County of San Francisco, One South Van Ness Avenue, 5th Floor, San Francisco, California 94103
Attn: Jane Suskin

Space above for Recorder

(Assessor's Block 8719, Lot 003)

DECLARATION OF RESTRICTIONS
Mission Bay South Block 9

THIS DECLARATION OF RESTRICTIONS ("**Declaration**") is made as of __________, 2020, by Mission Bay 9 LP, a California limited partnership ("Declarant") owner of a leasehold interest in the land described in Exhibit A attached hereto (the "Property"), in favor of 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, commonly referred to as the Office of Community Investment and Infrastructure ("**OCII**", including any successors or assigns). The restrictions and covenants stated herein shall bind Declarant and its successors and assigns and shall be enforceable by OCII and its successors and assigns.

RECITALS

A. OCII and Declarant have entered into that certain Ground Lease dated ________________ (the "Ground Lease") and an Amended and Restated Loan Agreement dated as of _________________, 2020 (as it may be amended from time to time, the "Loan Agreement"). The Ground Lease and Loan Agreement obligate Declarant to develop the Property as low-income housing (the "Project"). Definitions and rules of interpretation set forth in the Ground Lease apply to this Declaration, unless otherwise noted.

OCII and Declarant entered into the Loan Agreement to finance costs associated with the development of the 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.

B. Pursuant to the Ground Lease and the Loan Agreement, Declarant has agreed to comply with certain affordability and other use and occupancy restrictions contained herein commencing on the date on which a certificate of occupancy is issued for the Project, and continuing for the life of the Project (the "**Compliance Term**"), even if the Loan is repaid or otherwise satisfied or the Deed of Trust is reconveyed.

AGREEMENT

Now, therefore, in consideration of OCII's agreement to fund in accordance with the OCII Documents, Declarant agrees as follows:

A. Declarant must comply with the following regulatory obligations contained in this Section 1 (the "**Regulatory Obligations**") through the expiration of the Compliance Term, regardless of any reconveyance of the Deed of Trust. Specifically, Declarant agrees as follows, subject to additional terms as set forth in the Agreement:

1. With the exception of one manager's unit, Declarant covenants that all residential units in the Project will at all times be occupied, or held vacant and available, for rental only to households who qualify as Qualified Tenants at initial occupancy, specifically:

Unit Size	**No. of Units**	**Maximum Income Level**
Studio	122	60% of Area Median Income as published annually by MOHCD, derived from the income limits determined by HUD for the San Francisco Area, adjusted solely for household size, but not high housing cost area
Studio Plus	18	60% of Area Median Income as published annually by MOHCD, derived from the income limits determined by HUD for the San Francisco Area, adjusted solely for household size, but not high housing cost area
1 bdrm	1	Manager Unit (unrestricted)
Total	141	

2. In addition to a tenant's qualification as a Qualified Tenant, the total amount for rent and utilities charged to a Qualified Tenant may not exceed either:

i. thirty percent (30%) of the Maximum Income Level specified in the foregoing table; or

ii. the fair market rent established by the San Francisco Housing Authority for Qualified Tenants holding Section 8 vouchers or certificates.

B. Survival of Restrictions

1. The affordability restrictions and covenants herein shall remain in effect for the life of the Project and shall survive the termination of the Ground Lease and the Loan Agreement, even if the loan under the Loan Agreement is repaid or otherwise satisfied or the Deed of Trust is reconveyed. Subject to the provisions of subsection (2) below, these affordability restrictions and covenants shall remain in first position and shall not be subordinated to the lien of any deed of trust or other financing, unless OCII determines, in its sole discretion, that subordination is necessary to secure adequate financing to ensure the viability of the Project.

2. In the event there is a loss of, or reduction in, the rental subsidy payments made to Declarant or its successors or assigns, without replacement thereof by comparable rental subsidy or payment, the occupancy and rent restrictions of Section A herein may be altered but only to the maximum extent required for the financial feasibility of the Project, as determined by OCII in its reasonable discretion in accordance with underwriting criteria substantially similar to that used by OCII to evaluate the Project's financial feasibility prior to the date of this Declaration, provided that in any event, all of the residential units (except the manager's unit) shall at all times be occupied by Qualified Tenants, except for the purposes of this Section B(2), Qualified Tenants shall have a Maximum Income Level of no greater than 80% of AMI and the monthly rent paid by such Qualified Tenants shall not exceed: (a) 30% of the Maximum Income Level of the particular Qualified Tenant, (b) less utility allowance. The relief provided by the foregoing shall not be construed as authorizing Declarant to exceed any income or rent restriction imposed on the Project by CDLAC, TCAC or any other applicable agreement, and Declarant warrants that it shall have obtained any necessary approvals or relief from any other applicable income and rent limitations prior to implementing the relief provided by this Section. In addition, upon foreclosure (or acceptance of a deed in lieu thereof) under any security interest in the Project (including the Ground Lease) to which OCII has subordinated its own security interest therein, and notwithstanding anything to the contrary contained in either (i) this Declaration (including Section A); or (ii) the Ground Lease, the sole limitation on rental and occupancy of Units in the Project shall be that all residential units (except the manager's unit) shall at all times be occupied by Qualified Tenants and the monthly rent paid by such Qualified Tenants shall not exceed: (a) 30% of the Maximum Income Level (adjusted to 80% of AMI as permitted in this Section), (b) less utility allowance.

C. During the Compliance Term OCII may rely on the Deed of Trust and/or this Declaration, in OCII discretion, to enforce any of OCII's, rights under the OCII Documents.

D. This Declaration may be amended only with the prior written approval of OCII, and any attempt to otherwise amend this Declaration shall be void or voidable at OCII's sole discretion.

E. This Declaration and the Regulatory Obligations constitute covenants running with the land, including the leasehold interest and bind successors and assigns of Declarant and any non-borrower owner and lessee of the Property. In the event that Declarant fails to comply with the covenants and restrictions of this Declaration, including without limitation the Regulatory Obligations, to OCII's satisfaction, in its sole discretion, within thirty (30) days of Declarant's receipt of written notice from OCII to so comply, OCII at its option may exercise any rights available at equity or in law, including, without limitation, institute an action for specific performance. Declarant shall pay OCII's costs in connection with OCII's enforcement of the terms of this Declaration, including, without limitation, OCII's reasonable attorneys' fees and costs.

(*document continues on following page*)

Declarant has executed this Declaration as of the date first written above.

DECLARANT:

Mission Bay 9 LP, a California limited partnership

By: Mission Bay 9 CHP LLC, a California limited liability company, its managing general partner

By: Community Housing Partnership, a California nonprofit public benefit corporation, its sole and managing member

By: ____________________
Rick Aubry, Chief Executive Officer

By: Mission Bay 9 LLC, a California limited liability company, its administrative general partner

By: BRIDGE Housing Corporation, a California nonprofit public benefit corporation, its sole and managing member

By: ____________________
Cynthia Parker, President & Chief Executive Officer

<u>**EXHIBIT A**</u>

(Legal Description of the Property)

EXHIBIT L

SCHEDULE OF PERFORMANCE

No.	Performance Milestone	Estimated or Actual Date	Contractual Deadline
A.	Prop I Noticing (if applicable)	N/A	N/A
1.	Predevelopment Financing Commitment	2/2018	complete
2.	Site Acquisition (OCII Ground Lease)	6/2020	8/2020
3.	Development Team Selection		
a.	Developer, Architect, Property Manager, Service Provider	10/2017	complete
b.	General Contractor	7/2018	complete
c.	Owner’s Representative	8/2018	complete
d.	Property Manager	Complete	
e.	Service Provider	Complete	
f.	Factory Fabricator	5/1/2018	complete
4.	Design		
a.	Schematic Design & Cost Estimate Submittal	11/2018	complete
b.	Design Development & Cost Estimate Submittal	3/2019	complete
c.	50% CD Set & Cost Estimate Submittal	6/2019	complete
d.	Bid Set & GMP Contract Submittal	2/2020	6/2020
5.	Environ Review/Land-Use Entitlements		
a.	CEQA Environ Review Submission	N/A	N/A
b.	NEPA Environ Review Submission	N/A	N/A
6.	Permits		
a.	Site Permit Submittal	1/2019	complete
b.	Addendum #1 (Foundation/Structural) Submittal	9/2019	complete
c.	Addendum #2 (Architectural/MEP) Submittal	9/2019	complete
d.	Factory-Built Set SF Courtesy Review Set Submittal	4/2019	complete
e.	Factory-Built Housing Permit Submittal (CA HCD)	10/2019	complete
7.	Modular Materials and Prototype Deposits	3/2020	8/2020
8.	Request for Bids Issued	2/2020	4/2020
9.	Service Plan Submission		
a.	Preliminary	12/2018	complete
b.	Interim	11/2019	complete
c.	Update / Final	11/2020	12/2020

10.	Additional City Financing		
a.	Gap Financing Application	2/2020	complete
b.	LOSP Application	11/2020	12/2020
11.	Other Financing		
b.	Equity/Construction Financing RFP	9/2019	complete
c.	AHP Application	3/2019	complete
d.	CDLAC Application	11/2019	complete
e.	TCAC Application	11/2019	complete
f.	Selection of Tax Credit Investor	2/2020	complete
g.	Continuum of Care Application *(to be further evaluated, Sponsor to apply if directed by OCII)*	2020	2021
12.	Closing		
a.	Construction Closing	6/2020	8/2020
b.	Permanent Financing Closing		
13.	Construction		
a.	Notice to Proceed	6/2020	8/2020
b.	Temporary Certificate of Occupancy	9/2021	1/2022
14.	Marketing/Rent-up		
a.	Early Outreach Plan Submission	N/A	
b.	Marketing Plan Submission	N/A	
c.	Commence Marketing	N/A	
d.	95% Occupancy	3/2022	7/2022
15.	Cost Certification/8609		
17.	Close Out OCII Loan		

EXHIBIT M

OCII MONTHLY PROJECT UPDATE FORM

Please complete this Monthly Project Update and email the Word document to the Project Manager, with a copy to Jeff White (jeffrey.white@sfgov.org), by the first of each month. Please focus on the relevant sections of project progress, and anticipate approvals that will be needed over the next 2 – 3 months from other departments. Use as much space as you need.

THE PURPOSE OF THESE UPDATES IS TO TRACK PROJECT PROGRESS

1. *during pre-construction*
2. *on non-construction issues during construction, and*
3. *after regular monthly construction meetings have ended*

Project Summary Information

Project:	
Sponsor:	
# Units:	
Target Population:	

Monthly Update

Month Covered:	Date of Report:
Completed by:	
Estimated Construction Start Date (if changed from previous update, please explain):	
Estimated Total Development Cost (if changed from previous update, please explain):	
Projected OCII gap commitment (excluding MOH funding committed to date): Expected date when OCII gap funding needed: Month______________ Year_____________	
Procurement and bidding (architect, consultants and contractors)	
Entitlements, permits and utilities (OCII, Planning Dept., DBI, SFFD, DPW, SFWD, MOD, PG&E and DRE)	
Major issues OCII needs to be aware of, including anything that may require OCII's involvement	

Any changes in the scope, cost, schedule or financing plan? (Attach updated budget and/or schedule if any have occurred since prior month.)
Significant milestones reached during the past month, and any planned to be reached during the coming month. Also include any projected milestones not reached during the last month and the reasons why. (Depending on the phase of the project, please cover efforts to obtain additional financing, relocation planning, service planning, marketing and rent-up, etc., as applicable for the project.)
FOR OCII STAFF USE ONLY
Major issues, delays, etc.
Items for discussion with Director

EXHIBIT N

Developer Fee Schedule

Developer Fee Disbursement Schedule		
Payment Milestone	**% of Project Mgmt Fee**	**Amount**
At close of initial pre-development financing	14%	$150,000
During predevelopment	32%	$350,000
Construction close	22%	$245,000
At 50% completion of construction	22%	$245,000
Conversion	10%	$110,000
Total Project Management Fee	**100%**	**$1,100,000**
Draft cost certification/95% occupancy	30%	$453,000
Conversion	50%	$755,000
Project close out	20%	$302,000
Total At-Risk Fee		**$1,510,000**
Additional fee – timing of release subject to OCII staff review and approval		**$500,000**
Total Cash Developer Fee		**$3,110,000**
Deferred Fee		$0
Total Developer Fee		**$3,110,000**

EXHIBIT O

Assignment of Work Product

FOR VALUE RECEIVED, Mission Bay 9 LP, a California limited partnership ("Borrower"), does hereby sell, assign, pledge, transfer and set over to 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, ("Agency") all of its rights, title and interest in and to that certain architect's agreement ("Agreement") entered into by and between Borrower and Leddy Maytum Stacy Architects and any other contracts entered into between Borrower and any licensed design profession or engineer ("Architect" or "Engineer"), and those certain Plans and Specifications and all amendments, modifications, supplements, general conditions and addenda thereto ("Plans") prepared by the Architects and Engineers for the account of Borrower in connection with the development of 141 units of rental housing at 410 China Basin Street (also known as Mission Bay South Block 9), San Francisco, California ("Project"). The Agreement and the Plans are assigned as collateral security for certain indebtedness of Borrower to Agency evidenced by that certain Promissory Note of even date herewith in the principal amount of $____________.

Borrower and Architect or Engineer, by executing the Consent to this assignment, agree that Agency does not assume any of Borrower's obligations or duties concerning the Agreement and the Plans, including, but not limited to, the obligation to pay for the preparation of the Agreement and the Plans, until and unless Agency shall exercise its right hereunder.

Borrower hereby irrevocably constitutes and appoints Agency as its attorney-in-fact to demand, receive, and enforce Borrower's rights with respect to the Agreement and the Plans, to give appropriate receipts, releases and satisfactions for and on behalf of Borrower and to do any and all acts in the name of Borrower or in the name of Agency with the same force and effect as Borrower could do if this Assignment had not been made.

Borrower hereby represents and warrants to Agency that no previous assignment of its interest in the Agreement and the Plans has been made, and Borrower agrees not to assign, sell, pledge, transfer, mortgage or otherwise encumber its interest in the Agreement and the Plans so long as this Assignment is in effect. This Assignment shall automatically terminate without further action required upon Loan Closing.

This Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, or successors in interest of the Borrower and Agency.

(*document continues on following page*)

IN WITNESS WHEREOF, Borrower has caused this Assignment to be executed on ___________________, 2020.

BORROWER:
Mission Bay 9 LP, a California Limited Partnership

By: Mission Bay 9 CHP LLC, a California limited liability company, its managing general partner

By: Community Housing Partnership, a California nonprofit public benefit corporation, its sole and managing member

By: ______________________
Rick Aubry, Chief Executive Officer

By: Mission Bay 9 LLC, a California limited liability company, its administrative general partner

By: BRIDGE Housing Corporation, a California nonprofit public benefit corporation, its sole and managing member

By: ______________________
Cynthia Parker, President & Chief Executive Officer

EXHIBIT P

Consent to Assignment

In accordance with the terms of that certain Assignment of Architects and Engineers Agreement Plans and Specifications dated on or about the date hereof, Mission Bay 9 LP, a California limited partnership ("Borrower") assigned to the Successor Agency to 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, ("Agency") all of its rights, title and interest in and to that certain architect's agreement ("Agreement") entered into by and between Borrower and Leddy Maytum Stacy Architects ("Architect/Engineer") and those certain Plans and Specifications and all amendments, modifications, supplements, general conditions and addenda thereto ("Plans") prepared by the Architect/Engineer and others for the account of Borrower in connection with the development of 141 units of rental housing at 410 China Basin Street (also known as Mission Bay South Block 9), San Francisco, California ("Project"). The Agreement and the Plans are assigned as collateral security for certain indebtedness of Borrower to Agency evidenced by that certain Promissory Note of even date herewith in the principal amount of $___________.

The undersigned has prepared the Plans, hereby consents to the above Assignment and represents that he/she has received payment in full for services rendered for the Plans and accordingly hereby waives his/her lien rights, if any, with respect to the Plans. The undersigned also agrees that in the event of a breach by Borrower of any of the terms and conditions of the Agreement or any other agreement entered into with the undersigned in connection with the Plans, that so long as Borrower's interest in the Plans is assigned to Agency, it will give written notice to Agency of such breach. Agency shall have sixty (60) days from the receipt of such notice of default to remedy or cure said default; however, nothing herein shall require the Agency to cure said default, but only gives it the option to do so.

The undersigned also agrees that in the event of default by Borrower under any of the documents or instruments entered into in connection with said Note, the undersigned, at Agency's request, shall continue performance under the Agreement in accordance with the terms hereof, provided that the undersigned shall be reimbursed in accordance with the Agreement for all services rendered on Agency's behalf.

Dated: ____________________, 2020

___________________________ARCHITECT:

Leddy Maytum Stacy Architects

By: ___________________________________
Name: _________________________________
Title: _________________________________

(*signatures continue on following page*)

ENGINEER:

____

By: ______________________________________
Name: ____________________________________
Title: _____________________________________

EXHIBIT Q

Legal Description of the Real Property

<u>**EXHIBIT R**</u>

<u>Final Financial Plan Confirmation Letter</u>
To be attached on or before the Loan Closing Date

EXHIBIT S

Intentionally Omitted

EXHIBIT T-1

Intentionally Omitted

Citywide Affordable Housing Loan Committee

San Francisco Mayor's Office of Housing and Community Development
Department of Homelessness and Supportive Housing
Office of Community Investment and Infrastructure

410 China Basin Street
(Mission Bay South Block 9)

$37,245,760

Permanent Loan

Evaluation of Request for:	Permanent/Gap Loan
Loan Committee Date:	March 6, 2020
Prepared By:	Kim Obstfeld
Source of Funds Recommended:	Bond Proceeds
NOFA/PROGRAM/RFP:	OCII RFP
FY 19/20 ROPS Line:	417
Total Previous City Funds Committed:	$5,000,000 (predevelopment loan)
Applicant/Sponsor Name:	BRIDGE Housing ("BRIDGE") and Community Housing Partnership ("CHP")

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	Mission Bay South Block 9	Sponsor(s):	BRIDGE Housing and Community Housing Partnership
Project Address (w/ cross St):	410 China Basin Street (bordered by China Basin St, Mission Rock Street, the Public Safety Building, and the future extension of Bridgeview Way)	Ultimate Borrower Entity:	Mission Bay 9 LP

Project Summary:

BRIDGE Housing ("BRIDGE") and Community Housing Partnership ("CHP"), through Mission Bay 9 LP, are requesting $37,245,760 in permanent financing for Mission Bay South Block 9 ("Block 9"). Block 9 will be a 141-unit affordable rental housing project with supportive services for formerly homeless adults (the "Project"). The Project will be comprised of 122 furnished studios, 18 furnished studio-plus units (intended to accommodate those with in-home care needs), and one manager's unit.

Tenants will be referred to the Project through the Department of Homelessness and Supportive Housing ("HSH") Coordinated Entry System and the Project will be subsidized through the City's Local Operating Subsidy Program ("LOSP"). The Project will be financed with State Tax Credits, 4% Federal Low Income Housing Tax Credits, a Federal Home Loan Bank Affordable Housing Program ("AHP") loan, tax-exempt bonds (to support the construction loan), and this OCII Loan. The Project is scheduled to start construction in June 2020 and complete construction in September 2021 (the construction duration is shorter than is typical due modular construction).

Project Description:

Construction Type:	Type V/Modular	Project Type:	New Construction
Number of Stories:	4	Lot Size (acres and sf):	1.08 acres / 47,437 sf
Number of Units:	141	Architect:	Leddy Maytum Stacy Architects
Total Residential Area:	54,981 sf	General Contractor:	Cahill Contractors
Total Commercial Area:	N/A	Property Manager:	Community Housing Partnership
Total Building Area:	92,566 sf	Supervisor and District:	Sup. Haney - District 6
Land Owner:	FOCIL (will transfer to OCII)		
Total Development Cost (TDC):	$81,359,601	Total Acquisition Cost:	N/A
TDC/unit:	$577,018	TDC less land cost/unit:	$577,018
Loan Amount Requested:	$37,245,760	Request Amount / unit:	$264,154
HOME Funds?	No		

PRINCIPAL DEVELOPMENT ISSUES

- **Modular Construction.** To allow for faster construction and to respond more quickly to the homelessness crisis, the Sponsors are utilizing modular construction for portions of the Project. While BRIDGE has experience in modular construction in the East Bay, this technology has not been used for affordable housing construction in San Francisco. Block 9, along with 833 Bryant Street, 1064-1068 Mission Street, and Maceo May Apartments (on Treasure Island), is an important pilot for this construction type. Please see section 4.2.1 for further discussion.
    - **Unit Supplier.** Factory OS will be the modular unit manufacturer. Factory OS is a start-up with a limited track record. Because it is new, Factory OS is unable to provide a payment and performance bond for the modular scope of work and instead will provide a more limited insurance policy covering only delays in the delivery of the units (does not include standard protections of a payment and performance bond). In addition, the lack of track record poses added risk in the operation's financial stability (potential for insolvency) and the possibility of construction flaws (due to limited experience in completing projects). See section 4.2.1 for additional discussion.
    - **Supply Agreement.** The Sponsors and Cahill have not yet finalized a supply agreement with Factory OS. Finalizing this agreement is critical to locking in unit production costs and confirming the fabrication schedule. See section 4.2.1 for additional discussion.
    - **Early Funds Disbursement.** In addition to the $5M in predevelopment funding already approved for Block 9, the Sponsors request that up to approximately $10.9M of this loan be available for disbursement prior to the close of construction financing for additional predevelopment costs. Modular construction requires more upfront costs than traditional construction. Earlier costs include up-front design as well as payments to the modular manufacturer. See section 4.2.1 for additional discussion. A condition is included to allow for disbursement up to this sum for approved costs in advance of the close of construction financing.
- **Community Relations.** Some members of the Mission Bay community were vocal in their opposition to the Project as the Sponsors worked through schematic design. The Sponsors will continue outreach that seeks to respond to concerns, identify and work through key issues, and educate community members on planned construction and operations. Please see section 3.1 for further discussion. A condition is included to require ongoing outreach and community relations.
- **Sponsor Staff Capacity.**
    - **CHP.** In recent years, CHP has experienced significant turnover in key positions. Adequate staff capacity at CHP is an important consideration for the operation and management of the Project. To address this concern, a condition is included to require BRIDGE to maintain a minimum five-year ownership role in the Project following conversion to permanent financing. This condition was included in the predevelopment loan evaluation and loan agreement. Another condition requires CHP to continue to provide quarterly staffing reports to OCII and MOHCD. Please see section 1.2 and Attachment D for further discussion.
    - **BRIDGE.** Since the selection of the Sponsors for the development of Block 9, BRIDGE has experienced significant turnover in project management staff working on this Project. A high level of coordination and attention to detail is essential in ensuring successful modular construction. While there is no loan condition to address this, the lack of continuity in BRIDGE project management on Block 9 poses a risk to the Project.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Terms	Status
OCII Predevelopment Loan	$5,000,000	3% Def/Term ends February 20, 2021	Committed
Total	**$5,000,000**		

Permanent Sources	Amount	Terms	Status
OCII Loan	$37,245,760	55 yrs @ 1.5% / Res Rec	This request
4% Federal Tax Credit Equity	$32,907,428	$0.97 / credit	Committed
State Tax Credit Equity	$9,206,413	$0.75 / credit	Committed
AHP	$1,500,000	55 yrs @ 0%	Committed
Sponsor Equity	$500,000	N/A	Committed
Total	**$81,359,601**		

Uses	Amount	Per Unit	Per SF
Acquisition	$0	N/A	N/A
Hard Costs	$64,628,177	$458,356	$645
Soft Costs	$13,621,424	$96,606	$136
Developer Fee	$3,110,000	$22,057	$31
Total	**$81,359,601**	**$577,019**	**$812**

1. BACKGROUND

1.1. Project History Leading to This Request.

Housing Production in the Mission Bay Project Area
Block 9 is part of the 303-acre Mission Bay redevelopment district that was administered by the former San Francisco Redevelopment Agency ("SFRA" or "Agency"). Pursuant to state law, redevelopment agencies throughout the State of California were eliminated on February 1, 2012 under California Health and Safety Code §§34161 et seq (the "Redevelopment Dissolution Law"). OCII is the Successor Agency to SFRA and is responsible for implementing SFRA's enforceable obligations. On January 24, 2014, the California Department of Finance ("DOF") determined "finally and conclusively" that the Mission Bay South OPA and tax allocation pledge agreement are enforceable obligations under AB 26 and AB 1484. FOCIL-MB, LLC ("FOCIL") is the Master Developer of the Mission Bay redevelopment district.

Block 9 will be the sixth Agency Affordable Housing Parcel in the Mission Bay South Redevelopment Project Area, and the tenth affordable housing development in the overall Mission Bay Project Area.

OCII Funded Affordable Units in Mission Bay North and South					
Location	**Site**	**Project Name**	**# of Units**	**Housing Type**	**Year Completed**
Mission Bay North	Block N2-2	Rich Sorro Commons	100	Family rental	2002
	Block N3A-1	Mission Creek Senior Community	140	Senior rental (including 49 units for homeless seniors)	2006
	Block N5	Crescent Cove	36[1]	Family rental	2007
	Blocks N4-A,N4-A2	Mission Walk	131	Family for-sale	2009
Mission Bay South	Block 13 East	1180 4th Street	150	Family rental (including 50 units for homeless families)	2014
	Block 7 West	Five 88	200	Family rental	2017
	Block 6 East	626 Mission Bay Boulevard North	143	Family rental (including 29 units for homeless families)	2018
	Block 3 East	Edwin M. Lee Apartments	119	Homeless Veterans (62 units) and family rental (57 units)	2020
	Block 6 West	691 China Basin Street	152	Family rental (including 25% of units for HOPE SF or homeless families)	2021 (under construction)
	Block 9 *(subject property)*	410 China Basin Street	141	Supportive rental housing for formerly homeless	2021 (predevelopment)
	Block 9a	TBD	140	Home ownership	2023 (predevelopment)
Total			**1,311**		

[1] *36 units out of total 234 restricted units built at the Crescent Cove development were Agency-sponsored. The remaining 198 restricted units are Master Developer inclusionary units.*

The Mission Bay North and South project area includes the development of 6,514 housing units, with 1,916 units (29%), comprised of 100% OCII-funded affordable projects and inclusionary units in market-rate projects. To date, 1,309 of those affordable units have been completed, leaving approximately 607 affordable units to be developed. The development of the OCII-sponsored units will be subsidized through a minimum of 20% tax increment affordable housing set-aside generated by Mission Bay North and South, along with excess tax increment not needed for public infrastructure development, as required by the Mission Bay South Owner Participation Agreement (“OPA”). The majority of the 1,916 affordable units will be developed on OCII

Affordable Housing Parcels contributed by the Master Developer to OCII pursuant to the Mission Bay OPA. The Project site is part of this land contribution.

RFP and Developer Selection Process

OCII released an RFP seeking a development team for Mission Bay South Block 9 in 2017. OCII received two proposals in response to the RFP. Following an evaluation process, and approval by the Mission Bay Citizens Advisory Committee and the OCII Commission, the team led by BRIDGE Housing and Community Housing Partnership was selected for the Project.

1.2. Borrower/Grantee Profile. (See Attachment B for Borrower Org Chart; See Attachment C for Developer Resume and Attachment D for Asset Management Analysis)

The Borrower entity is Mission Bay 9 LP, formed by BRIDGE and CHP to manage, own and operate the Project.

BRIDGE will be a co-developer of the Project and, at the request of OCII in consultation with MOHCD, will continue to be a partner in the project for a minimum of five years, subject to specific Project performance provisions, following the conversion to permanent financing. It is anticipated that upon successful completion of established milestones, BRIDGE will exit the partnership. Please see Attachment D for additional discussion.

CHP will be a co-developer, long term owner, property manager, and services provider for Block 9.

Please see Attachment C Developer Resumes for more details on the team's project management experience.

2. SITE (See Attachment E for Site map with amenities)

Site Description	
Zoning:	Zoning for the site is form-based and is governed by the Redevelopment Plan for the Mission Bay South Redevelopment Project and the Design for Development for the Mission Bay South Project Area. Height limits are calculated as averaged by block (not parcel) and are as follows: 55' on China Basin Street and Bridgeview Way; on other frontages, a base height of up to 65' and a mid-rise height of up to 90' is allowed. 100% lot coverage is allowed up to a maximum height of 40'; above 40', 75% lot coverage is allowed.
Maximum units allowed by current zoning (N/A if rehab):	The maximum number of units on the site is based on form-based zoning.
Number of units added or removed (rehab only, if applicable):	N/A
Seismic (if applicable):	Seismic Zone 4
Soil type:	According to the Mission Bay Subsequent Environmental Impact Report ("SEIR") and a Geotechnical Investigation

	dated October 8, 2018 conducted by Langan on behalf of the Sponsors, Block 9 was submerged in shallow water in Mission Bay before it was filled. The site is blanketed by 15 to 38 feet of fill consisting of clay, silt, gravel, and sand, as well as brick, rock, concrete, and other rubble. The fill is underlain by weak compressible clay known as Bay Mud with thicknesses of 70 to 124 feet. The results and recommendations of the Geotechnical Investigation have been used to inform pile, foundation, underground utilities, and other design elements.
Environmental Review:	As part of its actions on September 17, 1998 establishing the Mission Bay Redevelopment Project Areas, the Redevelopment and Planning Commissions certified the Final Subsequent Environmental Impact Report (“FSEIR”), adopted findings under the California Environmental Quality Act (“CEQA”), adopted a series of mitigation measures, and established a comprehensive system for mitigation monitoring. The Board of Supervisors and other City departments adopted similar findings and mitigation monitoring plans. BRIDGE and CHP will work with OCII staff to ensure that the mitigation monitoring measures for Block 9 are appropriately documented and implemented. Phase I and II studies have been completed for the site. Please see Section 2.3 below for a discussion of findings.
Adjacent uses (North):	Currently a surface parking lot, planned for a multi-story parking garage serving the planned Mission Rock development.
Adjacent uses (South):	Block 10a (to the south and east of the Site) is a 99-unit mid-rise condominium building known as “Radiance” that was completed in 2008. Block 10 is a 329-unit mid-rise condominium building known as “Madrone” that was completed in 2012.
Adjacent uses (East):	Public Safety Building, which holds a police and fire station.
Adjacent uses (West):	The future extension of Bridgeview Way (adjacent to the Site) and Mission Bay South Block 9a, a vacant site designated as an OCII Affordable Housing Parcel currently in predevelopment
Neighborhood Amenities within 0.5 mile:	Supermarkets: Gus’s Community Market is 0.3 mile from the site and a Safeway supermarket 0.6 mile from the site. Pharmacies: 2 pharmacies are located just over half mile from the site –Walgreens at 4th and Townsend Streets and Safeway at 4th and King Streets. Library: Mission Bay Public Library is located 0.5 mile) from the site. Parks: Mission Bay Commons Park is 2 blocks from the site; Bay Front Park is 3 blocks from the site (the San Francisco Bay Trail can be accessed from this park).
Public Transportation within 0.5 mile:	The site is located one block from the Muni Third Street Mission Rock Light Rail station and approximately 0.5

	mile from the San Francisco Caltrain station on 4th Street between King and Townsend streets. A stop for the Muni 55-16th street bus line is located 2 blocks from the site.
Article 34:	Article 34 authority was secured in November 2018
Article 38:	Exempt. Project is new construction and is outside the exposure zone map area.
Accessibility:	Per TCAC standards, 10% of units will include mobility features and 4% will have communications features. All units will be adaptable.
Green Building:	The anticipated Green Point Rating score is 155.2 (the RFP specified that the Project must achieve a minimum score of 125).
Recycled Water:	Not exempt. The project does fall within the boundaries of the designated recycled water use area and will comply with the City's Recycled Water Ordinance.
Storm Water Management:	Developments that disturb 5,000 square feet or more of the ground surface must comply with the Storm Water Design Guidelines and submit a Storm Water Control Plan to the SFPUC for review. The design team met with SFPUC and secured approval of a preliminary stormwater control plan during review of the Site Permit. The design team has prepared an updated stormwater control plan and submitted it for SFPUC review and approval in conjunction with the landscape/civil addendum.

2.1. Zoning.

Land use restrictions and design guidelines in Mission Bay South are defined in the Mission Bay South Design for Development. The Design for Development document supersedes the San Francisco Planning Code and the approved design complies with Design for Development guidelines.

2.2. Local/Federal Environmental Review.

CEQA clearance was obtained through the Mission Bay EIR. NEPA has not been completed and is not yet necessary as the Project has no federal funding. However, a condition of this loan is that the Project may be directed to pursue Continuum of Care funding for rental subsidies and/or services. If needed, the Sponsors will pursue NEPA clearance.

2.3. Environmental Issues.

Phase I/II Site Assessment Status and Results. A Phase I study was completed by AEW Engineering in October 2018. A Phase II study was conducted in compliance with the San Francisco Department of Public Health's Article 22A, by AEW Engineering in November 2018 (modified in December 2018). Based on the Phase II assessment, AEW Engineering recommended the following:

- Compliance with the Mission Bay Risk Management Plan
- Development and implementation of protocols for dust management and monitoring, and soil and waste management
- Health and safety program

Potential/Known Hazards. Soil contaminants currently exist in the Project Area and are assumed to exist at the Site. The principal chemicals that have been detected in the Project Area are petroleum hydrocarbons and inorganic compounds (e.g. heavy metals). Additionally, asbestos was detected in the soil primarily from serpentine rock, which was imported to fill Mission Bay. No significant concentrations of Volatile Organic Compounds were detected in soil or groundwater. Limited concentrations of select volatiles such as benzene were found around the former petroleum storage facilities in the Mission Bay South Redevelopment Project Area, but are not expected to affect the Site. None of the chemicals were detected at concentrations that would pose a threat to human health following the completion of the planned development in the Project Area.

2.4. Adjacent uses and neighborhood amenities. See table above.

2.5. Green Building. See table above.

3. OTHER ENTITLEMENT ISSUES

3.1. Community Support.

The Mission Bay Citizens Advisory Committee ("CAC") has generally been supportive of the Project; however, as noted in "Principal Development Issues" above, some members of the Mission Bay community were vocal in their opposition as the Project worked through schematic design. Those opposing the Project were concerned about the target population (affordable apartments that will serve formerly homeless adults) and about the ongoing management and operation of the building.

The Sponsors and OCII discussed aspects of the Project at several CAC meetings, facilitated multiple afternoon and evening tours of similar properties (Richardson Apartments and Rene Cazenave Apartments) for members of the public, held resident meetings at neighborhood apartment and condominium buildings, and presented at a meeting of the Bay View Boat Club.

The Sponsors will prepare an updated community outreach plan that addresses the construction and operational phases of the Project (condition #4). They will work closely with the community to discuss "good neighbor" practices, property management plans, and building operations. In addition, the Sponsors will prepare a plan for the community garden that includes a strategy to engage neighborhood residents and organizations in garden programs and activities (condition #5).

4. DEVELOPMENT PLAN

4.1.1. Site Control.

FOCIL-MB, LLC ("FOCIL"), the master developer of Mission Bay South, currently owns the site. Pursuant to the Mission Bay Owner's Participation Agreement ("OPA"), the site will be transferred at no cost to OCII for the development of affordable housing. The OPA requires a 100-day notice to FOCIL to express OCII's intent to exercise a Memorandum of Option transferring ownership of the site to OCII.

4.1.2. Proposed Property Ownership Structure.

After FOCIL transfers the site to OCII (concurrently with the close of construction financing), OCII will ground lease the site to Mission Bay 9 LP. OCII will retain ownership of the land until the project is transferred to MOHCD after permanent conversion, and Mission Bay 9 LP will own the improvements. The ground lease will have a 75-year initial term with an option to extend for another 24 years.

4.2. Proposed Design.

The Project features three wings in a "u" shaped configuration, with a single-loaded central wing (along the western side of the parcel) connecting two double-loaded perpendicular wings (along China Basin Street and Mission Rock Street). This configuration is a straight-forward design well-suited for modular construction technology. The building is four-stories tall and wraps around a large landscaped courtyard that opens on to the future Bridgeview Way. A narrow shade garden along the building's west side allows natural light between Block 9 and the adjacent Public Safety Building.

The design emphasizes natural light and ventilation. Corridors terminate in windows and the saw-tooth pattern of the China Basin Street and Mission Rock Street wings provides units with large shaded windows that take advantage of bay views where available.

The ground floor is organized in a "Main Street" concept. The resident entrance, mail area, services suite, laundry, elevators and resident lounge are aligned to promote interaction among residents and allow for active monitoring by staff.

Features and amenities include:

- Large resident courtyard with seating areas and walking paths
- Community room with kitchen, with an opening to a terrace in the central courtyard
- Resident lounge and game room
- Services and management suites, and staff break room
- Shared laundry room
- Linen/storage closets on each floor for in-home care providers
- Bicycle parking and repair station
- De-bug room for pest control
- Two parking spaces for staff and/or deliveries
- Community garden, to be managed by Climate Action Now!

The building is set back from the street and sidewalk to allow for the settlement that has occurred on other sites in Mission Bay South. Should the sidewalk height lower (as has occurred on other sites in Mission Bay), the landscaped setback will prevent the occurrence of a gap and cracking between the sidewalk and building. Building entries will include hinge slabs that will slope slightly to maintain a safe pedestrian connection between the building and the sidewalk. The ground floor and courtyard are raised 1-1.5' above the sidewalks to limit the need for costly soil off-haul during construction and to mitigate potential future flooding.

Average Unit SF by type:	Average unit sizes are above TCAC minimums: • 315 square feet for studio units • 410 square feet for studio-plus units*
Residential SF:	54,981
Circulation SF:	21,059
Parking Garage & Service SF:	7,450
Common Area SF:	16,770 (interior)
Building Total SF:	100,260

** Studio plus units are designed to accommodate those with in-home care needs, and are therefore larger than traditional studio units.*

4.2.1. Modular Construction.

There is a critical need to address homelessness in San Francisco with supportive housing units as is planned in the Project. To expedite vertical construction and to reduce Project costs, the Sponsors will utilize off-site or modular construction modalities.

The use of modular construction is expected to result in hard cost savings of approximately 12% and vertical construction time savings approximately 6 months for this Project, resulting in a 15-month construction schedule. Based on design development cost estimates in April 2019, the estimated hard cost savings using modular construction were approximately $7.8 million or approximately $55k per unit.

As a result of cost savings from modular construction, estimates for the Project are below the average for comparable projects. As shown in Attachment G, the hard cost per unit for comparable projects is approximately $548k while the cost per unit for Block 9 is estimated at $458,356.

Overall, approximately 70% of the construction work will be completed on-site. The ground floor will be fully site-built, using wood frame construction. This will allow for higher ceilings (modular construction limits floor to floor ceiling heights at 11 feet due to shipping restrictions), and the provision of long spans and larger open spaces necessary for community gathering rooms.

Upper floors will be built using off-site modular construction for hallways and units. As designed, modular unit widths are standardized at 14 feet, allowing for efficient transport, and most units can be paired in single modules that are under 72 feet in length, which reduces the number of modules needed. A paired module will contain two housing units and a portion of the building hallway. Interior unit finishes, with the exception of mini-blinds, will be installed by the modular manufacturer prior to shipping. All exterior building finishes will be installed on-site after the modules are placed.

While BRIDGE has recent and directly relevant experience in completing affordable projects using modular construction, few projects of this type have been completed in San Francisco. Three other San Francisco homeless-serving affordable modular housing projects are currently in the final stages of predevelopment. These include 833 Bryant, 1064-68 Mission, and Maceo May Apartments on Treasure Island. All of these projects, including Block 9, are working with Cahill as the general contractor and Factory OS as the modular manufacturer.

833 Bryant is expected to close on construction financing in early March 2020 and the modular units are already in production at the factory. Based on work completed to date, the 833 Bryant development team reports that construction quality has been strong. 1064-68 Mission is expected to close by the end of February 2020. Prototypes of modular units for the project have been completed by Factory OS and unit production is expected to start in April 2020.

Based on current schedules, the Block 9 modules will be the last of the four of these projects to be produced in the factory, with unit production planned to commence in July 2020. To meet this schedule, Cahill will need to finalize a supply agreement with Factory OS and provide deposits by early April 2020. Deposits for assembly line reservation and materials will be paid out of this loan, prior to the close of construction financing. These payments include:

- assembly line deposit of $512,140 (5% of the total Factory OS contract),
- materials deposit of $2,050,000 (20% of contract value),
- prototype deposit of $100,000, and
- early pre-authorizations of $100,000.

In addition, early gap funds may be needed to pay:

- production payment of $2,090,000 due July 1, 2020; and
- second production deposit of $2,754,000 in the event that the construction loan closing is delayed beyond the June as is currently planned.

The early release of gap funds is allowed for as a condition of this loan. A budget for the full request is included as Attachment I to this evaluation. Due to a delay in the loan closing for 1064-68 Mission, the sponsor of that project sought and was given a similar authorization for early release of gap funds to preserve the modular production schedule.

Because Factory OS is a new company with a limited track record of project completions, it is unable to provide a bond for the modular scope of work. While Cahill will provide a payment and performance bond for the project as a whole, the modular scope will be excluded based on contractual indemnitees. Cahill is also unable to enroll Factory OS in its subcontractor default insurance program. To address some of the resulting risk, Factory OS has established a unique insurance policy that will provide liquidated damages on a day for day basis to compensate the project for any delay in the delivery of the modules. In addition to purchasing this policy, the Sponsors have requested an increase in hard cost contingency from 5% (the MOHCD underwriting standard) to 6% to cover unexpected construction costs resulting from modular construction. A condition is included to note that this additional contingency may only be accessed with approval from the OCII Executive Director. The developers of the 1064-68 Mission and Maceo May projects sought similar increases and are carrying 5.5% and 5.4% in hard cost contingency, respectively.

4.3. Proposed Rehab Scope. N/A

4.4. Construction Specialist Evaluation.

Building Configuration: Orienting activity and views inward to the courtyard has several beneficial aspects:

- The Public Safety Building to the west is double the height of Block 9. A shade garden separating the two buildings allows light and a verdant backdrop to an otherwise unsightly view. Keeping the buildings separate also eliminates the need to provide the full-length expansion joint assembly typically required between abutting buildings.
- While the building is visually open to the public passageway along the future Bridgeview Way, it is protected by a security fence. The open courtyard and adjacent community garden of Block 9 are separate and secured from the public way and protected from prevailing winds.

Modular Construction: Block 9's repeated and stacked studio unit layout without a podium level readily adapts the design to modular construction. The Type V modules are the least expensive to fabricate and easiest to assemble. Whether wood or steel frame, the concept is adjustable to comply with building, fire, energy, and life safety codes. The modular concept has proved to render notable savings in time and cost when compared to the standard site built method. In recent years, construction costs per square foot using the modular (prefab) model have shown to vary between 1% and 15% less than with the wholly site-built method. Total time has shown to have been reduced by 15% to 30% when compared to conventional construction. The shortened project duration is considered an added bonus given the mounting challenges to provide housing for those of greatest need and often the most vulnerable among the population.

First Floor Uses and Activation of the Street: Each side of the property affords controlled entry, logically assigned to the resident entry on China Basin Street and service delivery/staff parking entries along Mission Rock Street.

The most prominent of the street facades is along China Basin Street. In addition to the more notable entry, the streetwall is lined with ground-floor units and landscaping. The least visible façade of the north faces the future Mission Rock parking structure. Building services are logically assigned to creating this north facing streetwall. The "service suite", consisting of counseling and treatment rooms, is aptly located in the private wing fronting the shade garden. The remaining first-floor activities, consisting mostly of living units and community activity, face the landscaped courtyard.

Community Uses/Amenities: The community room (and adjacent kitchen) take ample advantage of extending the floor plane out to the courtyard terrace. This allows multi-use functions for varied activities, and also permits relaxation and longer-range exterior vistas without the need to venture outside the property.

Permit Status: Block 9 has secured a site permit and the design team has received and nearly resolved all comments on the foundation/structural addendum and the architectural/MEP addendum. These addenda should be ready for issuance by March 2020. In addition, the landscape/civil addendum was submitted in January.

The modular portions of the project are subject to permit and inspection by the California Department of Housing and Community Development ("HCD"), rather than the City and County of San Francisco. To ensure that the units are of the highest quality, the Sponsors agreed to ensure that the modular portions are built to meet San Francisco building code and the factory-built construction drawing set was circulated through local review agencies in accordance with a memorandum of understanding regarding factory-built construction for Block 9 and the other San Francisco affordable modular projects. The Block 9 team worked diligently through comments and revisions resulting from this review to produce a permit set for state review and approval. The permit for the factory-built portion was issued by HCD in February 2020.

4.5. Commercial Space.

N/A

4.6. Service Space.

The Project features a services suite along the main traffic route of the building. The suite's placement is designed to encourage residents to engage with services staff. The layout is intended to balance participant privacy with selective transparency to make the space inviting and to allow for natural light and visibility. The suite includes open counseling areas, private meeting spaces, consultation rooms, an exam room, and record storage.

4.7. Target Population

All of the Project's 140 affordable units will serve formerly homeless adults. Potential tenants will be referred to the Project by HSH via the Coordinated Entry System. Tenants will generally have experienced a long duration of homelessness, have a history of trauma, and will be in need of intensive support. The provision of specialized services will be critical to the success of this Project and its tenants. The services plan is discussed in Section 7 below.

4.8. Marketing & Occupancy Preferences

As previously noted, all of the Project's 140 affordable units will serve formerly homeless adults and will be referred to the Project by HSH via the Coordinated Entry System. HSH referrals will be prioritized based on length of homelessness and level of need. All referred applicants will be persons experiencing homelessness in San Francisco.

HSH will work with OCII and MOHCD to give first priority to Certificate of Preference holders, assuming that the Certificate holder meets all other tenant eligibility criteria.

4.9. Relocation.

Block 9 is currently used as a temporary staging area for the Mission Bay master developer. The master developer will voluntarily relocate, leaving Block 9 as vacant, undeveloped land; relocation law does not apply.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	**Name**	**SBE/LBE**	**Outstanding Procurement Issues**
Project Manager	Neil Saxby/Jeremy Vieira, BRIDGE	N	N
Project Manager	Serena Callaway, CHP	N	N
Architect	LMS Architects	N	N
Landscape Architect	TS Studio	Y	N
JV/other Architect	Lowney Architects/Y.A. Studio	N/Y	N
General Contractor	Cahill	N	N
Owner's Rep/Construction Manager	Roy Buis	N (application in progress)	N
Financial Consultant	California Housing Partnership Corporation	N	N
Legal	Golfarb & Lipman LLP	N	N
Property Manager	CHP	N	N
Services Provider	CHP/HealthRight 360	N	N

5.1. Outstanding Procurement Issues.

There are no outstanding procurement issues. Sponsors will continue to work with OCII's Contract Compliance staff to ensure that the Project complies with OCII's SBE and construction workforce policies.

6. FINANCING PLAN (See Attachment F for Cost Comparison of City Investment in Other Housing Developments; See Attachment G and H for Sources and Uses)

6.1. Prior MOHCD/OCII Funding (this Project).

A predevelopment loan of $5M was approved for Block 9 by the Citywide Loan Committee on January 19, 2018 and by the OCII Commission on February 20, 2018. As is standard OCII practice, the predevelopment loan will roll into the permanent loan for an aggregate loan total not to exceed $37,245,760.

6.1.1. Disbursement Status.

As of February 4, 2020, approximately $3.4M was disbursed from the predevelopment loan, the remaining balance is approximately $1.6M. Interest accrued to date is approximately $62k.

6.1.2. Fulfillment of Predevelopment Loan Conditions.

1. Sponsors will work with OCII to address considerations specific to modular construction, including but not limited to:

    - Establish and implement a plan to address OCII workforce and contracting goals; *Status: Ongoing (condition modified and carried forward). The Sponsors worked closely with the OCII Contract Compliance team to maximize SBE participation in professional services and will continue to do so in the construction bid process.*

    - Identify a modular unit manufacturer, confirm production capacity; *Status: Complete. Factory OS, based in Vallejo, will manufacture the modular units. Factory OS has confirmed availability and capacity to complete the modules in accordance with the overall construction schedule.*

    - Collaborate with OCII's design/construction review team, the San Francisco Department of Building Inspection, the San Francisco Mayor's Office on Disability, and other local entities, to ensure that the Project adheres to local review and permitting requirements; and *Status: Complete. The Sponsors and design team completed the procedure established in the Memorandum of Understanding Regarding City Sponsored Factory-Built Housing between MOHCD, the SF Department of Building Inspection, the SF Fire Department, and SF Mayor's Office on Disability to engage in a review and revision process for the factory-built scope of work. The Sponsors and design team will continue to follow the protocols established for building inspection.*

    - Determine staging needs and collaborate with OCII and the Mission Bay master developer to identify a feasible unit staging plan. *Status: Complete. Modular units will be held at Factory OS and trucked to the site for short-term storage and setting. The Sponsors will utilize the adjacent parcel and the northern half of Block 9a for staging. These parcels are owned by the Mission Bay master developer.*

- Sponsors will not place any deposit on, or execute a construction contract or use predevelopment loan funds prior to OCII's approval. A deposit for materials may only occur after OCII approval of the schematic design. *Status: Complete. To date, the general contractor has not yet entered into a supply agreement with Factory OS, nor has a deposit been placed for material. The supply agreement is under negotiation as of this writing and the materials deposit will not be made until the agreement is executed.*

2. Sponsors will execute and provide to OCII a memorandum of understanding ("MOU") that clearly defines the roles and responsibilities of BRIDGE and CHP. The MOU will confirm that BRIDGE will remain in the partnership after the conversion to permanent financing until all of the following conditions have been satisfied:

   - Provide evidence that the property tax exemption for the Project has been secured within one year of permanent financing conversion;
   - For five consecutive years:
     - Achieve and maintain an annual stabilized occupancy of 95%; and
     - Provide evidence that initial required and annual deposits for replacement and operating reserves for the Project have been made in full.

   Status: Ongoing (condition modified and carried forward). This loan will be conditioned on BRIDGE remaining in the partnership until established milestones have been met. This is reflected in the Joint Development Agreement between BRIDGE and CHP and will be addressed in the Amended and Restated Loan Agreement with OCII.

3. CHP will provide quarterly updates to OCII regarding progress in filling open positions, and improving asset management and financial reporting procedures. *Status: Ongoing (condition carried forward). CHP has provided quarterly updates regarding staffing and asset management procedures and protocols.*

4. Sponsors will work with staff at OCII, MOHCD, and HSH to review tenant rent contribution assumptions and will adjust, as appropriate, based on data from existing supportive housing sites and assumptions regarding the anticipated tenant population. *Status: Complete. CHP reviewed tenant rent contribution data from existing properties serving populations similar to those planned for Block 9 and recommends continuing to assume tenant rent contributions at $300 per unit per month. This is in line with rent payment assumptions on other LOSP projects and is reflected in the operating budget and will be reviewed again when the Sponsors seek a LOSP contract.*

5. Sponsors will monitor program parameters for NPLH funds and will work with OCII, MOHCD, and HSH to determine an appropriate funding level for this Project. Sponsors will follow application procedures for this source, when determined. *Status: Complete. MOHCD, in collaboration with the Sponsors and OCII, reviewed the parameters and timing of NPLH fund availability and opted not to use NPLH for the Block 9 project. The funds have been earmarked for gap funding on other upcoming San Francisco projects that include permanent supportive housing units.*

6. Sponsors will coordinate with HSH when determining maximum income levels for funding applications to ensure that AMI levels are set at a level that is appropriate for

the anticipated tenant population. Sponsors must balance application competitiveness with the need for flexibility in accommodating tenants who receive subsidy payments or maintain employment. *Status: Complete. AMI levels for all funding applications have been set above anticipated typical tenant AMI levels to ensure flexibility and allow tenants to gain or maintain employment or receive benefits. For AHP, all affordable units are restricted to 50% HUD AMI for 15 years post-completion. For tax credits and tax-exempt bonds, 45 units are set at 50% of TCAC AMI and 95 units are set at 60% TCAC AMI for 55 years post-completion.*

7. Sponsors will issue an RFQ for a general contractor in accordance with OCII's Contract Compliance specifications, will obtain cost estimates from the selected contractor, and will work with their architectural team to ensure that the site's development costs are managed to OCII's approval. Sponsors will cooperate with OCII and competitively solicit a general contractor with the intent of creating a joint venture or similar partnership opportunity, to the extent practicable and economically feasible, between a general contractor and an OCII-recognized SBE contractor. Furthermore, Sponsors will cooperate and require the general contractor to exercise good faith efforts to select subcontractors who either are SBEs or, if they are not SBEs, are willing to create joint ventures or similar partnership opportunities with SBEs. *Status: Ongoing (condition is modified and carried forward). The Sponsors selected Cahill Contractors as the general contractor for the Project. The Sponsors will continue to work with the OCII Contract Compliance team to maximize SBE participation in the bid process.*

8. Sponsors will review guidelines for the Federal Home Loan Bank's Affordable Housing Program and will submit an application that seeks to maximize funding from this source. *Status: Complete. The Sponsors secured the maximum available funding ($1.5M) from the Affordable Housing Program in spring 2019.*

9. Sponsors will work with the architect to establish an acceptable fee, subject to OCII approval, in keeping with the MOHCD Fee Proposal Guidelines for Architect and Engineering Basic Services. *Status: Complete. The Sponsors have entered into a contract with Leddy Maytum Stacy for design services. While the fee is higher than that of other projects of a similar scale, the increased amount reflects additional design costs associated with modular construction as well as added costs for the coordination of two associate architects. One associate architect (Lowney Architects) was selected for their significant modular experience, providing capacity building for the second associate architect, Y.A. Studio.*

10. Sponsors will work closely with OCII, HSH, MOHCD, the Department of Public Health, and the Department of Aging and Adult Services to draft a comprehensive services plan and budget for the Project. With HSH, these parties will study the feasibility of the provider Medi-Cal billing assumptions and discuss housekeeping/in-home care partnerships. *Status: Ongoing (this condition is modified and carried forward). The Sponsors met with HSH several times during the predevelopment period to discuss the Project design and development status, and to discuss the services budget and staffing.*

11. Sponsors will conduct ongoing outreach to the Mission Bay community to solicit input, address concerns, and educate community members on various aspects of the Project. *Status: Ongoing (this condition is modified and carried forward). The Sponsors held meetings with residents of existing Mission Bay apartments and condominiums and other local groups, conducted tours of existing supportive*

housing projects, and discussed project operations and designs with the San Francisco Police and Fire Departments. The Sponsors will continue to reach out to the surrounding community to discuss construction and building operations, and establish long-term relationships.

6.2. Proposed Permanent Financing

6.2.1. Permanent Sources Narrative.

- **OCII Loan (this request):** OCII will provide a total subsidy of up to $37,245,760 or $264,154 per unit. Based on a preliminary true debt analysis to maintain a positive balance in the limited partnership capital account, the interest rate on the OCII loan is set at 1.5%. As a condition of this loan, this analysis will be performed again prior to loan closing and the interest rate may be adjusted to as low as 0% or as high as 3% in the Final Financial Plan.
- **LIHTC Equity**: The Sponsors have received a letter of intent from NEF as the equity partner for the Project. NEF will invest in both state and federal tax credits. Tax credits were secured at the CTCAC meeting on January 15, 2020.
    - **Federal 4% Low Income Housing Tax Credits**: Federal LIHTC equity is $32,907,428, or $233,386 per unit. NEF will pay $0.97 per credit.
    - **State Low Income Housing Tax Credits (competitive award)**: State LIHTC equity is $9,206,413, or $65,294 per unit. NEF will pay $0.75 per credit.
- **Construction Loan:** The Sponsors have received a letter of intent for a construction loan from Wells Fargo, funded with tax-exempt bonds. The loan will total $49,132,841 with a 3.96% interest rate (rate include a 0.25% cushion for changes to the index). The loan term is 26 months. Bond funding for the Project was allocated at CDLAC Committee meeting on February 12, 2020. Based on this allocation date, the deadline to close on construction financing and commence construction is August 10, 2020 (180 days from bond allocation).
- **AHP:** The Sponsors have secured an AHP loan of $1,500,000. The application was sponsored by Century Housing.
- **GP Capital Contribution:** The Sponsors will provide a general partner capital contribution of $500,000 to the Project. This allows the Project to leverage additional tax credit equity as it will be included in the tax credit basis.

Because the Project is LOSP funded, there will be no permanent loan.

6.2.2. Permanent Uses Evaluation

Development Budget		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Hard cost per unit is within standards	Y	Hard costs are $458,356 per unit. This below the average for comparable projects in

		predevelopment, attributable to the unit size (studios) and the use of modular construction.
Construction hard cost contingency is at least 5%	Y	Hard cost contingency is 6% ($3,131,300). This is above the typical 5%, allowing for unforeseen costs due to modular construction.
Architecture and Engineering Fees are within standards	N	Architecture and engineering fees total approximately $3.3M or just under 5% of the estimated construction cost. While fees are high when compared to projects of a similar scale, the architect (LMS) estimated an approximately 30% premium due to modular construction (additional drawings sets, coordination, and permitting).
Construction Management Fees are within standards	Y	The construction management fee is $175,000. $85k was budgeted during the predevelopment period (24 months at $3,500/month); leaving $90k for construction (18 months at $5,000/month).
Developer Fee is within standards	Y	Total developer fee is $3,110,000. The cash developer fee totals $2,610,000, with $1,100,000 in project management and $1,510,000 at risk. The remaining $500,000 is for general partner equity. The fee amount and breakdown is in compliance with MOHCD guidelines, however, at the request of the tax credit investor, the Sponsors are seeking a minor variation from the standard at-risk fee disbursement schedule, allowing 30% at the draft cost certification and 95% occupancy, rather than the standard 20%. A disbursement schedule is provided in the table below.
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is $1,163,839 (10%).
Capitalized operating reserves are a minimum of 3 months	Y	Capitalized operating reserve is equal to 3 months (at $434960)
Unit furnishing costs are within standards	Y	Unit furnishings are $441,000 ($2,500 per unit + $650 per unit start-up soft goods), common area furnishings are $282,000 Note that the total budget for this line item in the development budget is $801,150. The additional $78,150 is items that have been removed from the general contractor contract and will instead be provided by the owner to reduce costs.

Cash Developer Fee Disbursement Schedule		
Payment Milestone	**% of Project Mgmt. Fee**	**Amount**
At close of preconstruction financing *(already paid)*	14%	$150,000
During predevelopment *(already paid)*	32%	$350,000
At construction closing	22%	$245,000
During construction	22%	$245,000
Conversion	10%	$110,000
Total Project Management Fee	**100%**	**$1,100,000**
Draft Cost Cert/95% Occupancy*	30%	$453,000
Conversion	50%	$755,000
Project close-out*	20%	$302,000
Total At Risk Fee*		**$1,510,000**
Total Cash Developer Fee		**$2,610,000**
GP Equity		$500,000
Total Developer Fee		**$3,110,000**

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* Per MOHCD's Developer Fee Policy, the total Project Management Fee will be $1,100,000 and the total at risk fee will be $1,510,000 (including the additional cash out allowed due to the project's larger size). The At-Risk Fee will be held back from distribution in order to cover any cost overruns that exceed the contingency amounts held in the Sponsor's budget. For Block 9, the at-risk fee payment milestones vary from the MOHCD Developer Fee Policy. This is at the request of the tax credit investor. The MOHCD Policy calls for 20% at draft cost certification/95% occupancy and 30% at project close-out. This fee schedule allows for 30% at draft cost certification and 20% at project close-out.

6.3. This Request/Phasing Narrative

N/A

7. PROJECT OPERATIONS (See Attachments I and J for Operating Budget and Proforma)

7.1. Annual Operating Budget

The annual operating expenses are $11,822 per unit per year. These expenses are consistent with other projects in OCII and MOHCD's portfolio. Because the project is supported by LOSP, the operating budget will be subject to final review and Loan Committee approval prior to entering into a LOSP contract. Please see Attachment J for a first year operating budget and 20-year statement of cash flow.

7.2. Income

The Project will be supported by LOSP. Tenants will pay 30% of their monthly income toward rent, which is estimated at $300 per month, per unit, resulting in rent revenue of $504,000 for the first full year of operations.

Income from the LOSP contract will be set at an amount that covers the difference between the cost to operate the property and the annual income from tenant rent payments. For the first year, this is estimated at $1,288,687. As a condition of this loan, the Sponsors will submit an application for LOSP funding in December 2020 in accordance with LOSP procedures. In addition, a loan condition requires that the Sponsors pursue rental subsidies through Continuum of Care, if required by OCII/MOHCD, for all or a portion of the units. If secured, these funds would reduce the LOSP contribution.

7.3. Annual Operating Expenses Evaluation

Operating Proforma		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Debt Service Coverage Ratio is between minimum 1.10:1 and maximum 1.15:1 at year 15	N/A	The project is 100% LOSP and will not support permanent debt.
Debt Service Coverage Ratio stays above 1.00:1 for entirety of projected 20-year cash flow	N/A	DSC is at 1:1 as this is a 100% LOSP project.
Vacancy meets TCAC Standards	Y	Vacancy is 5% of tenant rents per TCAC and LOSP standards.
Annual Income Growth is increased at 2.5% per year	Y	Income escalation factor is 1%, as is standard for LOSP projects (based on historic trends and increases in SSI).
Annual Operating Expenses are increased at 3.5% per year	Y	Expense escalation factor is 3.5%.
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are $11,822 per unit per year, excluding reserves. This is appropriate and comparable to other LOSP projects of a similar size. Projects in Predevelopment: • 1064-68 Mission Street (250 units, 100% LOSP, estimate for 2020) $14,386 Projects in Operation: (Comps Based on 2018 Estimates) • Plaza Apartments (106 units, 100% LOSP, compl 2005) $13,986 • Richardson Apartments (120 units, 100% LOSP, compl 2011) $11,962 • Rene Cazenave Apartments (120 units, 100% LOSP, compl 2013) $11,982 • Bishop Swing House (135 units, 88% LOSP, compl 2009) $9,469
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is $136,080 or $81 PUPM in accordance with HUD's schedule.
Property Management staffing level is reasonable per comparables	Y	1 FTE Senior Site Manager 1 FTE Assistant Manager 1 FTE Resident Manager 4.4 FTE Desk Clerks (24/7 coverage) 2.35 FTE Maintenance Staff

		2.2 FTE Janitors This level of property management staffing is consistent with LOSP buildings in the Sponsor's portfolio.
Asset Management and Partnership Management Fees meet standards	Y	Annual AM fee is $22,670 Annual PM Fee is $22,650 These amounts are consistent with MOHCD maximums for 2021.
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are $500 per unit per year (based on comparable projects).
Limited Partnership Asset Management Fee (aka Investor Service Fee) meets standards	N	This is set at $5,000 a year, which is consistent with MOHCD standards. However, the investor (NEF), requires escalation at 3.5% per year. This is not consistent with MOHCD standards, however, has been an approved exception on other recent projects (examples include: Mission Bay South Block 3 East and 500 Turk)

8. SUPPORT SERVICES

8.1. Services Plan.

As previously noted, this Project will serve a high needs formerly homeless adult population. On-site supportive services will be provided by CHP in partnership with HealthRIGHT 360 (HR360). CHP will provide resident engagement, case management, behavioral health services, housing retention, employment training, and transitional employment services. HR360 will provide intensive health services including nursing, psychiatric care, primary medical, mental health, and substance use disorder treatment.

The overall resident services staff assigned to the site is 10.25 full-time equivalent (FTE). Case management is provided at a ratio of 1:21. Services staffing and other services expenses will be funded through the services budget as described in Section 8.2 (services costs are not paid from the operating budget). Positions are as follows:

Position	**FTE**
Director of Resident Services (CHP)	0.1
Resident Services Manager (CHP)	0.25
Resident Services Team Lead (CHP)	2.0
Resident Services Counselor (CHP)	3.0
Clinical Services Manager (CHP)	0.25
Program Associate – Resident Services Department (CHP)	0.15
Program Associate – Learning and Evaluation (CHP)	0.10
Community Volunteer Team Supervisor (CHP)	0.10
Community Volunteer Team Assistant Supervisor (CHP)	0.15
Senior Programs Director (CHP)	0.10
Clinical Case Manager (CHP)	2.5

Medical Director (HR360)	0.05
Registered Nurse (HR360)	1.0
Staff Psychiatrist (HR360)	0.5
Total	**10.25**

8.2. Service Budget.

The preliminary annual services budget totals $1,381,518 ($9,868 unit/year, including $5,656 unit/year funded through an HSH contract) for the first year of operations. This will be funded by an HSH contract, Medi-Cal billing, and potentially in-kind services from CHP.

Annual HealthRight 360 expenses are estimated to total $357,250 per year. This will be funded by an HSH contract (55%) and Medi-Cal billing (45%).

The budget is estimated in the table below:

Expenditure	**Source**			**Total Budget**
	HSH Contract	**Medi-Cal Billing**	**CHP In-Kind**	
Salaries	$318,152	--	$146,234	$464,386
Benefits	$95,446	--	$43,870	$139,316
Operating Expenses	$76,900	--	--	$76,900
Subcontract Services (HR360)	$198,000	$159,250	--	$357,250
Indirect Costs	$103,275	$23,888	--	$127,162
In-Kind Services	--	--	$216,504	$216,504
TOTAL	**$791,772**	**$183,138**	**$406,609**	**$1,381,518**

8.3. DPH/HSA Assessment of Service Plan and Budget.

The Sponsors met with HSH staff several times in the predevelopment period for this Project to discuss the services budget and staffing. The services plan and budget was most recently reviewed and approved by HSH in January 2020 in preparation for a joint TCAC/CDLAC application submittal (note that this application was not ultimately submitted). As a condition of this loan, the Sponsors will provide an updated budget and finalized services staffing plan by the end of calendar year 2020 (condition #13).

9. THRESHOLD ELIGIBILITY REQUIREMENTS

The Sponsors met the minimum threshold requirements as defined in the Request for Proposals for the Project. For further discussion, please see RFP and Developer Selection Process (section 1.1).

10. STAFF RECOMMENDATIONS

10.1. Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	$37,245,760
Loan Term:	57 years
Loan Maturity Date:	June 2077
Loan Repayment Type:	Residual receipts
Loan Interest Rate:	1.5%*

** The loan interest rate has been set at 1.5% based on a preliminary true debt analysis and to ensure that the limited partnership capital account does not go negative. A condition of this loan is to revisit this analysis and modify the interest rate, if necessary, in the Final Financial Plan.*

10.2. Recommended Loan Conditions

1. Sponsors will submit draft letters of intent from the construction lender and equity investor to OCII for review and approval prior to execution.
2. Sponsors will cooperate and require the general contractor to exercise good faith efforts to select subcontractors who either are SBEs or, if they are not SBEs, are willing to create joint ventures or similar partnership opportunities with SBEs.
3. Final construction costs after receipt of bids are subject to OCII review and approval, prior to loan closing.
4. Sponsors will prepare and implement an updated outreach plan for the construction and operations phases of the Project. The plan and outreach efforts will engage the community to solicit input, address concerns, educate and establish long-term relationships with neighborhood residents and local organizations.
5. The Sponsors will prepare an operating plan for the community garden. The plan will describe resident engagement, community outreach and participation, and describe potential partnerships volunteer coordination and to assist with long term maintenance.
6. CHP will provide quarterly updates to OCII regarding progress in filling open positions, and improving asset management and financial reporting procedures. Updates will continue until project close-out.
7. An amount not to exceed approximately $10.9M of this loan may be disbursed prior to the close of construction financing. These funds may be disbursed for approved expenses as shown in Attachment I.
8. Sponsors will reduce or apply contingencies at milestones consistent with MOHCD policies. Sponsors will reduce the OCII loan by the amount of unused and released contingencies. The total OCII loan amount will be adjusted in the Final Financial Plan prior to the close of construction financing.
9. In addition to the standard 5% hard cost contingency, the Sponsors may carry an additional contingency of 1% of hard costs to cover potential flaws or defects resulting from modular construction that are not otherwise covered. Use of this additional contingency will be subject to approval by the OCII Executive Director.
10. Sponsors will provide analysis and will allow the OCII Executive Director to modify the interest rate between zero and three percent, if needed. Any modification will be documented in the Final Financial Plan.

11. If directed by OCII, Sponsors will apply for rental subsidies and/or services funding through the San Francisco Continuum of Care Program (based on the Notice of Funds Available issued annually by the U.S. Department of Housing and Urban Development).

12. Sponsors will apply for LOSP funding by the date shown on the schedule in Attachment A.

13. Sponsors will submit an updated services plan and budget to HSH and OCII by the date shown on the schedule in Attachment A for review. The Sponsors will collaborate with both agencies to finalize the services plan and budget, and secure a contract with HSH for services funding

14. Upon project completion, Sponsors will establish evaluation metrics for the modular construction, including a cost and timeline comparison showing variations between modular and standard site-built construction.

15. BRIDGE will remain in the partnership unit: (i) five years after OCII has issued the Certificate of Completion, and (ii) all of the following conditions have been satisfied:

    - Provide evidence that the Sponsors have applied for a property tax exemption for the Project with the California Board of Equalization and the San Francisco Assessor and have diligently pursued obtaining approval of the exemption, including but not limited to timely responses to requests for information and requests to OCII for assistance in securing the exemption if needed;

    - For five consecutive years beginning at the time the project receives its Certificate of Occupancy, achieve and maintain an annual stabilized occupancy rate of 93%, provided that:

        - Occupancy will be calculated based on the average occupancy from the third anniversary of the Certificate of Occupancy (the first and second years following Certificate of Occupancy will not be included in the calculation); and

        - A vacant unit will not be counted in determining the average occupancy if the Sponsors can provide evidence that the referring agency did not provide a qualified referral within 60 days from the property manager’s initial request for a tenant referral (the “referral period”). During the referral period, the property manager must notify the referral agency within 2 weeks of a referral that the referral does not include required documentation to demonstrate site-based and other program eligibility and provide the referral agency 5 days to cure the deficiency or notify the referral agency of any referral who is denied admission to the Project due to missed appointments, violence toward property management employees, or other disqualification. The property manager will request a new referral within one business day if any referral is denied and screen replacement referrals within 2 weeks of such referral; and

- Provide evidence that initial required and annual deposits for replacement and operating reserves have been made in full.

11. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

Approval indicates approval with modifications, when so determined by the Committee.

[X] APPROVE. [ ] DISAPPROVE. [ ] TAKE NO ACTION.

Dan Adams, Acting Director
Mayor's Office of Housing and Community Development

Date: 3/6/20

[X] APPROVE. [ ] DISAPPROVE. [ ] TAKE NO ACTION.

Salvador Menjivar, Deputy Director of Housing
Department of Homelessness and Supportive Housing

Date: 3/6/20

[✓] APPROVE. [ ] DISAPPROVE. [ ] TAKE NO ACTION.

for Nadia Sesay, Executive Director
Office of Community Investment and Infrastructure

Date: 3/6/20

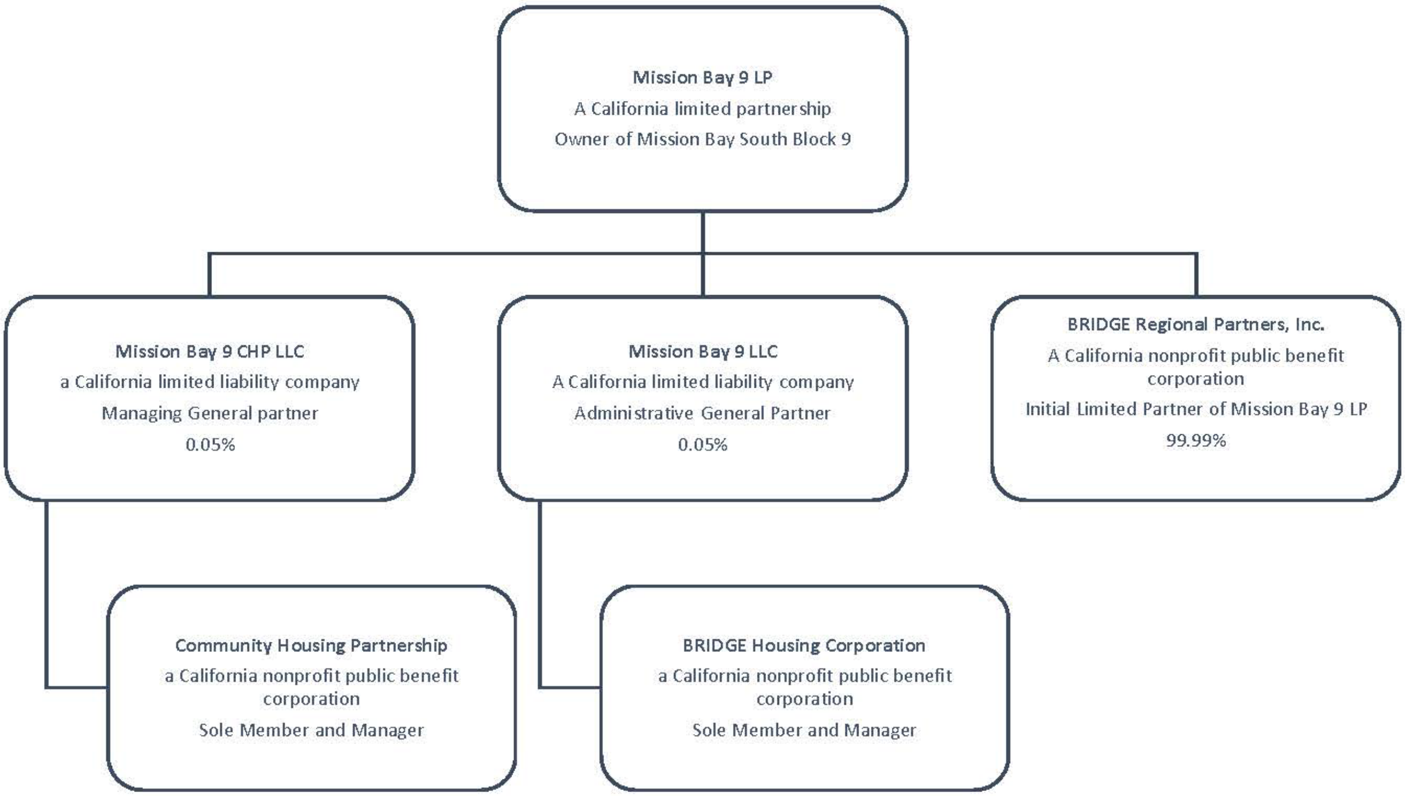
Attachments:
- A. Project Milestones/Schedule
- B. Borrower Org Chart
- C. Developer Resumes
- D. Asset Management Analysis of Sponsor
- E. Site Map with amenities
- F. Elevations and Floor Plans, if available
- G. Comparison of City Investment in Other Housing Developments
- H. Development Budget
- I. Development Budget – Early Gap Funds
- J. 1st Year Operating Budget
- K. 20-year Operating Pro Forma

Attachment A: Project Milestones and Schedule

No.	Performance Milestone	Estimated or Actual Date	Contractual Deadline
A.	Prop I Noticing (if applicable)	N/A	N/A
1	Predevelopment Financing Commitment	2/2018	complete
2.	Site Acquisition (OCII Ground Lease)	6/2020	8/2020
3.	Development Team Selection		
a.	Developer, Architect, Property Manager, Service Provider	10/2017	complete
b.	General Contractor	7/2018	complete
c.	Owner’s Representative	8/2018	complete
d.	Property Manager	Complete	
e.	Service Provider	Complete	
f.	Factory Fabricator	5/1/2018	complete
4.	Design		
a.	Schematic Design & Cost Estimate Submittal	11/2018	complete
b.	Design Development & Cost Estimate Submittal	3/2019	complete
c.	50% CD Set & Cost Estimate Submittal	6/2019	complete
d.	Bid Set & GMP Contract Submittal	2/2020	6/2020
5.	Environ Review/Land-Use Entitlements		
a.	CEQA Environ Review Submission	N/A	N/A
b.	NEPA Environ Review Submission	N/A	N/A
6.	Permits		
a.	Site Permit Submittal	1/2019	complete
b.	Addendum #1 (Foundation/Structural) Submittal	9/2019	complete
c.	Addendum #2 (Architectural/MEP) Submittal	9/2019	complete
d.	Factory-Built Set SF Courtesy Review Set Submittal	4/2019	complete
e.	Factory-Built Housing Permit Submittal (CA HCD)	10/2019	complete
7.	Modular Supply Agreement Executed	3/2020	5/2020
8.	Modular Materials and Prototype Deposits	3/2020	8/2020
9.	Request for Bids Issued	2/2020	4/2020
10.	Service Plan Submission		
a.	Preliminary	12/2018	complete
b.	Interim	11/2019	complete
c.	Update / Final	12/2020	1/2021

11.	Additional City Financing		
a.	Gap Financing Application	2/2020	complete
b.	LOSP Application	11/2020	12/2020
12.	Other Financing		
b.	Equity/Construction Financing RFP	9/2019	complete
c.	AHP Application	3/2019	complete
d.	CDLAC Application	11/2019	complete
e.	TCAC Application	11/2019	complete
f.	Selection of Tax Credit Investor	2/2020	complete
g.	Continuum of Care Application *(to be further evaluated, Sponsor to apply if directed by OCII)*	2020	2021
13.	Closing		
a.	Construction Closing	6/2020	8/2020
b.	Permanent Financing Closing		
14.	Construction		
a.	Notice to Proceed	6/2020	8/2020
b.	Temporary Certificate of Occupancy	9/2021	1/2022
15.	Marketing/Rent-up		
a.	Early Outreach Plan Submission	N/A	
b.	Marketing Plan Submission	N/A	
c.	Commence Marketing	N/A	
d.	95% Occupancy	3/2022	7/2022
16.	Cost Certification/8609	6/2022	2/2023
17.	Close Out OCII Loan	2/2023	4/2023

Attachment B: Borrower Org Chart



Attachment C: Developer Resumes

BRIDGE HOUSING

BRIDGE is a San Francisco-based non-profit housing developer. BRIDGE has completed over 2,000 affordable homes in San Francisco, and over 14,000 in projects throughout the West Coast. BRIDGE's development experience includes:

- Rene Cazenave Apartments: 120 units of newly constructed supportive housing, located in Transbay, and built in collaboration with CHP (as well as Leddy Maytum Stacy Architects). The project was completed in 2013.
- Celadon at 9th & Broadway (San Diego): 250 newly constructed units serving families, transitional aged youth, and adults with mental health diagnoses. The project was completed in 2015.
- Marea Alta (San Leandro): 115 newly constructed units serving low-income families. The project was built using modular construction and was completed in 2016.

Jeremy Vieira, Project Manager

Jeremy joined BRIDGE in March 2019. Prior to joining BRIDGE, Jeremy worked at the Jonathan Rose Companies in New York where he assisted with RFP responses, construction cost analytics, and project feasibility evaluation. His prior experience includes over ten years in the financial services sector with a focus on cost/revenue analytics and reporting as a senior accountant in MetLife's fund management division. Jeremy has a Master's degree in Real Estate Development from Columbia University and a BA in Accounting and Finance from Bridgewater State University.

Neil Saxby, Director of Development, Northern California

Neil has 12 years of experience in affordable housing development, most recently as Associate Director of Real Estate at Eden Housing, where he supervised project managers working on eight new construction and two acquisition/rehabilitation projects in various phases of development. As Associate Director, Neil also directly project managed five new construction mid-rise infill projects. Prior to joining Eden Housing, he was a Senior Project Manager at Affordable Housing Associations (now Satellite Affordable Housing Associates), where he worked on a combination of new construction and acquisition/rehabilitation projects. Earlier, he was a Senior Associate at the consulting firm Economic & Planning System. Neil holds an MBS from the University of California, Davis with a Finance focus, and a MS in Urban Planning and a BS degree from the University of Cape Town.

Smitha Seshadri, Vice President

Smitha went to BRIDGE from Habitat for Humanity Greater San Francisco, where she served as Vice President of Real Estate since April 2015. At Habitat, she was deeply involved in building the organization's infrastructure, leading real estate development and construction teams, planning for strategic growth, and implementing the processes and procedures to track increasingly complex budgets and managing financial risk. Prior to Habitat, she worked for BRIDGE for nine years, as a senior project manager and then director of development. During her tenure, she delivered $175 million worth of projects under budget, including the resyndication of the Carquinez Apartments, Ironhorse at Central Station, 474 Natoma, and St. Joseph's in Oakland, which won a 2015 Urban Land Institute Global Award for Excellence.

COMMUNITY HOUSING PARTNERSHIP

CHP is a San Francisco non-profit organization founded in 1990 to create and implement solutions to homelessness. CHP's total portfolio consists of over 1,100 units of supportive housing across 16 buildings, housing over 1,500 individuals. CHP has acted as co-developer, owner, property manager, and services provider at several comparable supportive housing sites:

- Richardson Apartments: 120 units of newly constructed supportive housing, located in Hayes Valley, and built in collaboration with Mercy Housing. The project was completed in 2011.
- Rene Cazenave Apartments: 120 units of newly constructed supportive housing, located in Transbay, and built in collaboration with BRIDGE (as well as Leddy Maytum Stacy Architects). The project was completed in 2013.
- Edward II: 25 units of supportive housing for transitional aged youth, located in the Cow Hollow/Marina neighborhood. The project was a rehabilitation and was completed in 2014.

Serena Callaway, Director of Real Estate Development
Serena joined CHP in January 2018 from Silicon Valley Bank where she was Vice President of Community Development Finance. While at Silicon Valley Bank, Ms. Callaway closed $161M in affordable housing financing. She underwrote deals using 4% and 9% tax credits and a variety of state programs and gap loan sources. Previously, Ms. Callaway was a Senior Project Manager for Tenderloin Neighborhood Development Corporation (TNDC) where she managed construction and renovation for numerous San Francisco projects including Franciscan Towers, Willie B. Kennedy Apartments, the Aarti Hotel, and Civic Center Residence. Prior to joining TNDC, she was a Project Manager at AF Evans overseeing acquisitions and new construction projects in Oakland and San Francisco. Ms. Callaway holds a Master of City Planning from the University of California at Berkeley and a Bachelor of Arts from Mount Holyoke College.

Attachment D: Asset Management Evaluation of Project Sponsor

CHP's asset management portfolio consists of 16 properties totaling approximately 1,300 units, with an average building size of 100 units. Sizes range from 24 units at Edward II to 120 units at both Richardson Apartments and Rene Cazenave Apartments. CHP's asset management team is managed by the Chief Financial Officer and consists of two Asset Managers, both fairly new to their roles at the organization. For the 2019/2020 fiscal year, the asset management division budget is $276,000.

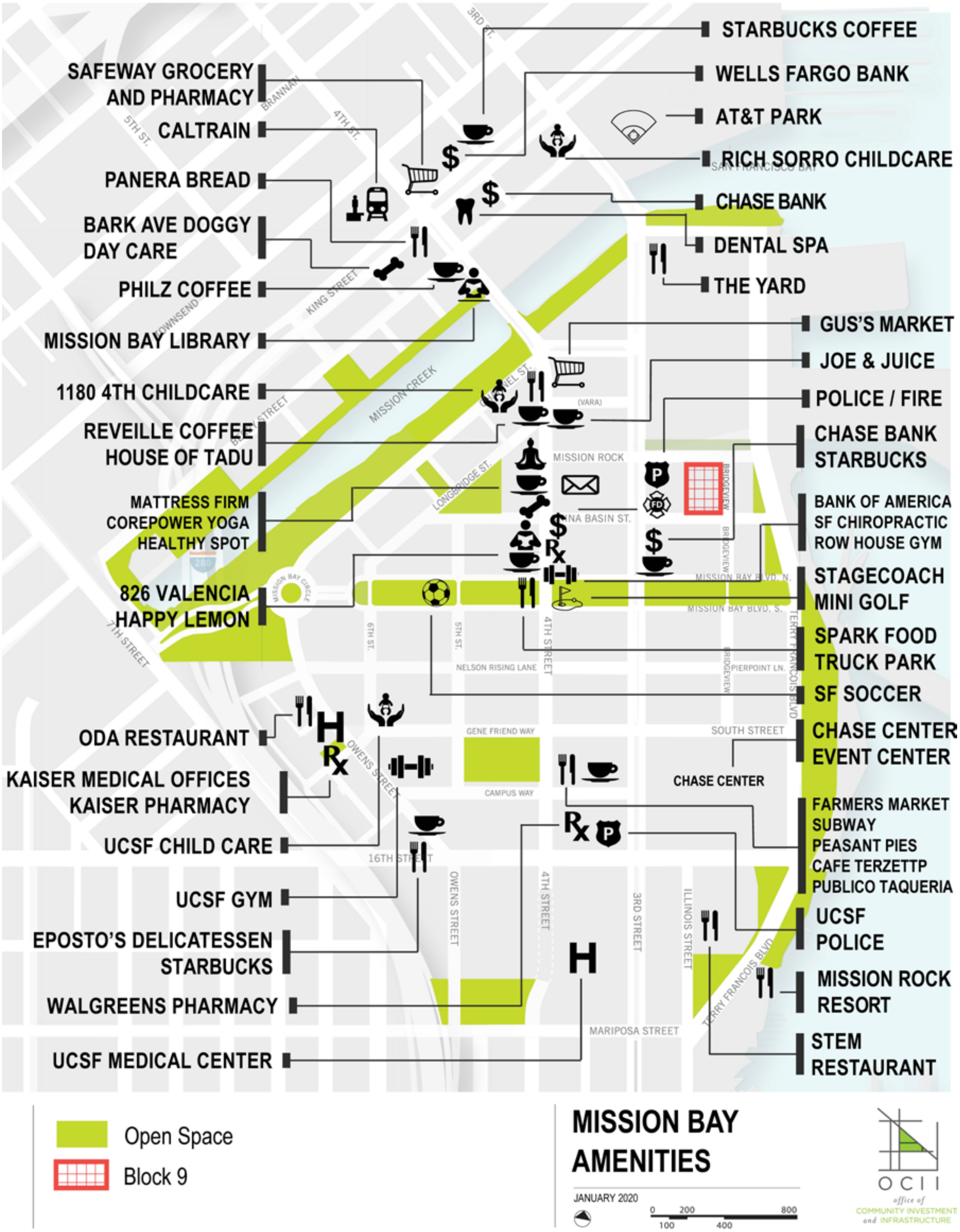
MOHCD has active concerns about the asset management capacity of CHP. CHP has not defaulted but experienced six-figure annual operating budget shortfalls at two projects that required emergency funding from the City in July 2017. On one of the two projects, CHP has initiated remedial steps by implementing a RAD contract conversion, which has increased contract rents and stabilized the operating budget. The second project is expected to complete a RAD contract conversion by 2021.

MOHCD is also concerned that CHP's financial systems do not facilitate production of the reporting needed to exercise proper cost controls on a monthly/interim basis. To address this issue, CHP is converting its financial reporting system to YARDI. The conversion process started in January 2020 and is expected to be complete in June 2020.

In the past five years, CHP has experienced higher than usual turnover on its management team; among senior staff, and among property managers. Management team changes have included the Chief Executive Officer, Chief Portfolio Officer, and Chief Financial Officer. Oversight of asset management shifted last year from the Chief Portfolio Officer to the Chief Financial Officer and the Chief Portfolio Officer position was replaced with a Director of Housing Operations.

CHP has a new CEO and is actively recruiting a Chief Talent Officer and a Chief Financial Officer. MOHCD will continue to engage with CHP to monitor progress as new talent and systems are put into place.

Attachment E: Site Map with amenities



Attachment F: Elevations and Floor Plans

CHINA BASIN ST. VIEW LOOKING EAST

LMS^A

BRIDGE
CHP

12. 12. 2018

3D VIEW

100% SCHEMATIC DESIGN

MISSION BAY SOUTH BLOCK 9

410 CHINA BASIN

SAN FRANCISCO, CA 94158

4.1

LMS^A

BRIDGE
CHP

12. 12. 2018

CHINA BASIN ST. VIEW LOOKING WEST

3D VIEW

100% SCHEMATIC DESIGN

MISSION BAY SOUTH BLOCK 9

410 CHINA BASIN

SAN FRANCISCO, CA 94158

COURTYARD VIEW

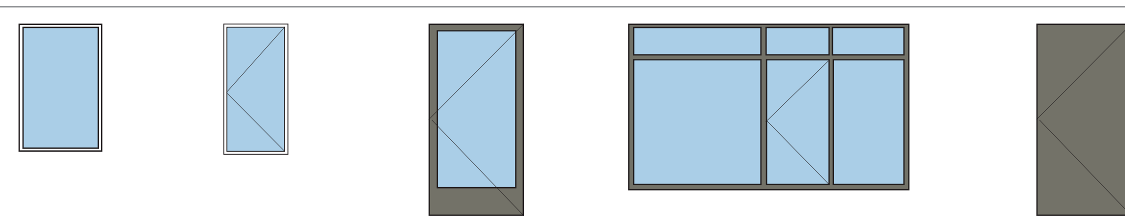
SOUTH ELEVATION: CHINA BASIN ST.

1" = 20' (20' 0' 20')

MATERIAL LEGEND

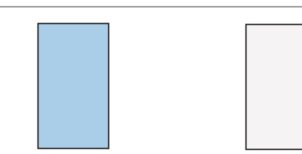
- A — FIBER CEMENT PANELS, PAINTED ACCENT COLORS (RECESSES)
- B — PERFORATED METAL SUNSHADES, PAINTED
- C — WOOD COMPOSITE PANEL
- D — WOOD COMPOSITE PANEL
- E — CORTEN STEEL PANELS
- F — FIBER CEMENT PANEL, PAINTED
- G — FIBER CEMENT LAP SIDING, PAINTED
- H — PAINTED ACCENT COLOR(TO MATCH WOOD (C))
- J — METAL PANEL, PAINTED
- K — BENT STEEL PLATE, PAINTED (COLUMNS)
- L — CONCRETE (BASE)

DOOR AND WINDOW SCHEDULE



- MTL. FRAME FIXED WINDOW
- MTL. FRAME OPERABLE WINDOW
- MTL. FRAME WITH GLAZING INFILL DOOR
- STOREFRONT WITH OPERABLE WINDOWS
- PTD. MTL DOOR

GLAZING SCHEDULE



- TRANSPARENT
- OPAQUE

LMS^A

BRIDGE CHP

12. 12. 2018

BUILDING ELEVATIONS

100% SCHEMATIC DESIGN

MISSION BAY SOUTH BLOCK 9

410 CHINA BASIN

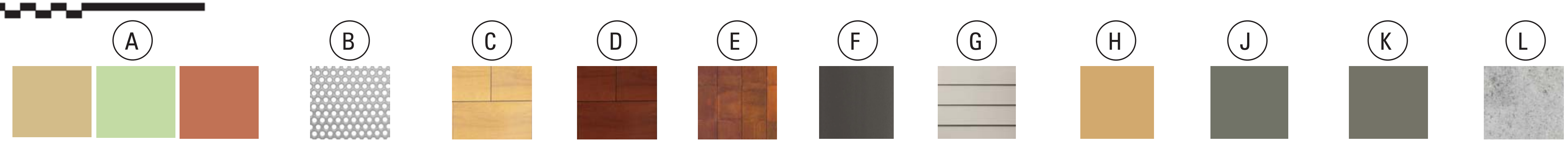
SAN FRANCISCO, CA 94158

3.1

NORTH ELEVATION: MISSION ROCK ST.

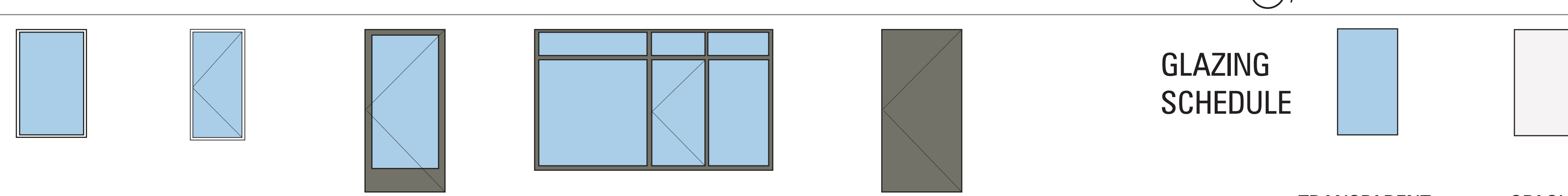
1" = 20' 20' 0' 20'

MATERIAL LEGEND



A	B	C	D	E	F	G	H	J	K	L
FIBER CEMENT PANELS, PAINTED ACCENT COLORS (RECESSES)	PERFORATED METAL SUNSHADES, PAINTED	WOOD COMPOSITE PANEL	WOOD COMPOSITE PANEL	CORTEN STEEL PANELS	FIBER CEMENT PANEL, PAINTED	FIBER CEMENT LAP SIDING, PAINTED	PAINTED ACCENT COLOR(TO MATCH WOOD (C))	METAL PANEL, PAINTED	BENT STEEL PLATE, PAINTED (COLUMNS)	CONCRETE (BASE)

DOOR AND WINDOW SCHEDULE



MTL. FRAME FIXED WINDOW

MTL. FRAME OPERABLE WINDOW

MTL. FRAME WITH GLAZING INFILL DOOR

STOREFRONT WITH OPERABLE WINDOWS

PTD. MTL DOOR

GLAZING SCHEDULE

TRANSPARENT

OPAQUE

EAST ELEVATION

1" = 20' 20' 0' 20'

MATERIAL LEGEND

- A — FIBER CEMENT PANELS, PAINTED ACCENT COLORS (RECESSES)
- B — PERFORATED METAL SUNSHADES, PAINTED
- C — WOOD COMPOSITE PANEL
- D — WOOD COMPOSITE PANEL
- E — CORTEN STEEL PANELS
- F — FIBER CEMENT PANEL, PAINTED
- G — FIBER CEMENT LAP SIDING, PAINTED
- H — PAINTED ACCENT COLOR(TO MATCH WOOD C)
- J — METAL PANEL, PAINTED
- K — BENT STEEL PLATE, PAINTED (COLUMNS)
- L — CONCRETE (BASE)

DOOR AND WINDOW SCHEDULE

- MTL. FRAME FIXED WINDOW
- MTL. FRAME OPERABLE WINDOW
- MTL. FRAME WITH GLAZING INFILL DOOR
- STOREFRONT WITH OPERABLE WINDOWS
- PTD. MTL DOOR

GLAZING SCHEDULE

- TRANSPARENT
- OPAQUE

LMS^A
BRIDGE CHP
12. 12. 2018

BUILDING ELEVATIONS
100% SCHEMATIC DESIGN

MISSION BAY SOUTH BLOCK 9
410 CHINA BASIN
SAN FRANCISCO, CA 94158

3.3

* PRIMARY
INT. FLR. ELEV.

WEST ELEVATION

1" = 20' 20' 0' 20'

MATERIAL LEGEND

- (A) FIBER CEMENT PANELS, PAINTED ACCENT COLORS (RECESSES)
- (B) PERFORATED METAL SUNSHADES, PAINTED
- (C) WOOD COMPOSITE PANEL
- (D) WOOD COMPOSITE PANEL
- (E) CORTEN STEEL PANELS
- (F) FIBER CEMENT PANEL, PAINTED
- (G) FIBER CEMENT LAP SIDING, PAINTED
- (H) PAINTED ACCENT COLOR(TO MATCH WOOD (C))
- (J) METAL PANEL, PAINTED
- (K) BENT STEEL PLATE, PAINTED (COLUMNS)
- (L) CONCRETE (BASE)

DOOR AND WINDOW SCHEDULE

- MTL. FRAME FIXED WINDOW
- MTL. FRAME OPERABLE WINDOW
- MTL. FRAME WITH GLAZING INFILL DOOR
- STOREFRONT WITH OPERABLE WINDOWS
- PTD. MTL DOOR

GLAZING SCHEDULE

- TRANSPARENT
- OPAQUE

COURTYARD SOUTH ELEVATION (SIM. TO COURTYARD NORTH ELEV.)

1" = 20' 20' 0' 20'

MATERIAL LEGEND

A	FIBER CEMENT PANELS, PAINTED ACCENT COLORS (RECESSES)
B	PERFORATED METAL SUNSHADES, PAINTED
C	WOOD COMPOSITE PANEL
D	WOOD COMPOSITE PANEL
E	CORTEN STEEL PANELS
F	FIBER CEMENT PANEL, PAINTED
G	FIBER CEMENT LAP SIDING, PAINTED
H	PAINTED ACCENT COLOR(TO MATCH WOOD C)
J	METAL PANEL, PAINTED
K	BENT STEEL PLATE, PAINTED (COLUMNS)
L	CONCRETE (BASE)

DOOR AND WINDOW SCHEDULE

- MTL. FRAME FIXED WINDOW
- MTL. FRAME OPERABLE WINDOW
- MTL. FRAME WITH GLAZING INFILL DOOR
- STOREFRONT WITH OPERABLE WINDOWS
- PTD. MTL DOOR

GLAZING SCHEDULE

- TRANSPARENT
- OPAQUE

LMSA

BRIDGE CHP

12. 12. 2018

BUILDING ELEVATIONS

100% SCHEMATIC DESIGN

MISSION BAY SOUTH BLOCK 9

410 CHINA BASIN

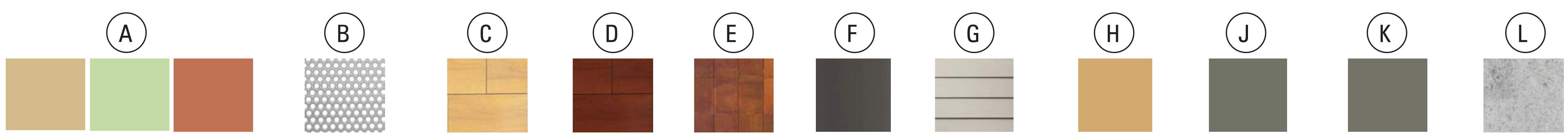
SAN FRANCISCO, CA 94158

COURTYARD EAST ELEVATION

1" = 20' 20' 0' 20'

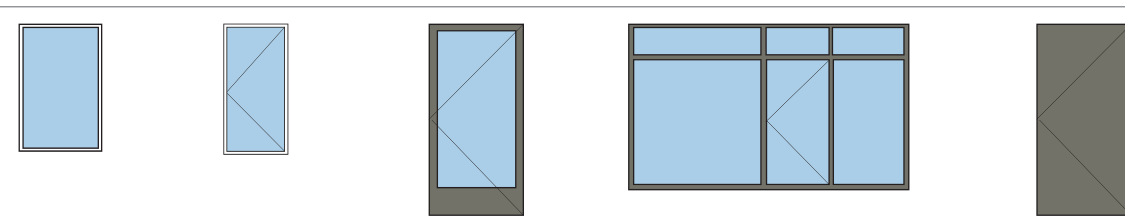
* PRIMARY INT. FLR. ELEV.

MATERIAL LEGEND



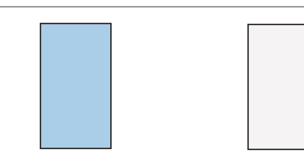
A	B	C	D	E	F	G	H	J	K	L
FIBER CEMENT PANELS, PAINTED ACCENT COLORS (RECESSES)	PERFORATED METAL SUNSHADES, PAINTED	WOOD COMPOSITE PANEL	WOOD COMPOSITE PANEL	CORTEN STEEL PANELS	FIBER CEMENT PANEL, PAINTED	FIBER CEMENT LAP SIDING, PAINTED	PAINTED ACCENT COLOR(TO MATCH WOOD C)	METAL PANEL, PAINTED	BENT STEEL PLATE, PAINTED (COLUMNS)	CONCRETE (BASE)

DOOR AND WINDOW SCHEDULE



MTL. FRAME FIXED WINDOW	MTL. FRAME OPERABLE WINDOW	MTL. FRAME WITH GLAZING INFILL DOOR	STOREFRONT WITH OPERABLE WINDOWS	PTD. MTL DOOR

GLAZING SCHEDULE

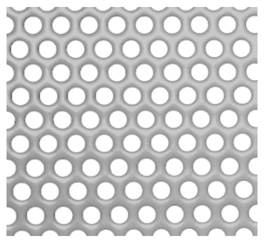


TRANSPARENT

OPAQUE

FIBER CEMENT PANELS, PAINTED
ACCENT COLORS (RECESSES)

E



E

PERFORATED METAL
SUNSHADES, PAINTED

C

WOOD COMPOSITE
PANEL

B

WOOD COMPOSITE
PANEL

A

CORTEN STEEL PANELS

CHINA BASIN ST. VIEW LOOKING EAST

F

FIBER CEMENT
PANEL, PAINTED

CHINA BASIN ST. VIEW LOOKING WEST

G

FIBER CEMENT LAP
SIDING, PAINTED

H

PAINTED ACCENT
COLOR(TO MATCH
WOOD (C))

J

METAL PANEL,
PAINTED

K

BENT STEEL PLATE,
PAINTED (COLUMNS)

L

CONCRETE (BASE)

LMS[A]

BRIDGE
CHP

12. 12. 2018

ENLARGED 3D VIEWS + MATERIALS

100% SCHEMATIC DESIGN

MISSION BAY SOUTH BLOCK 9

410 CHINA BASIN

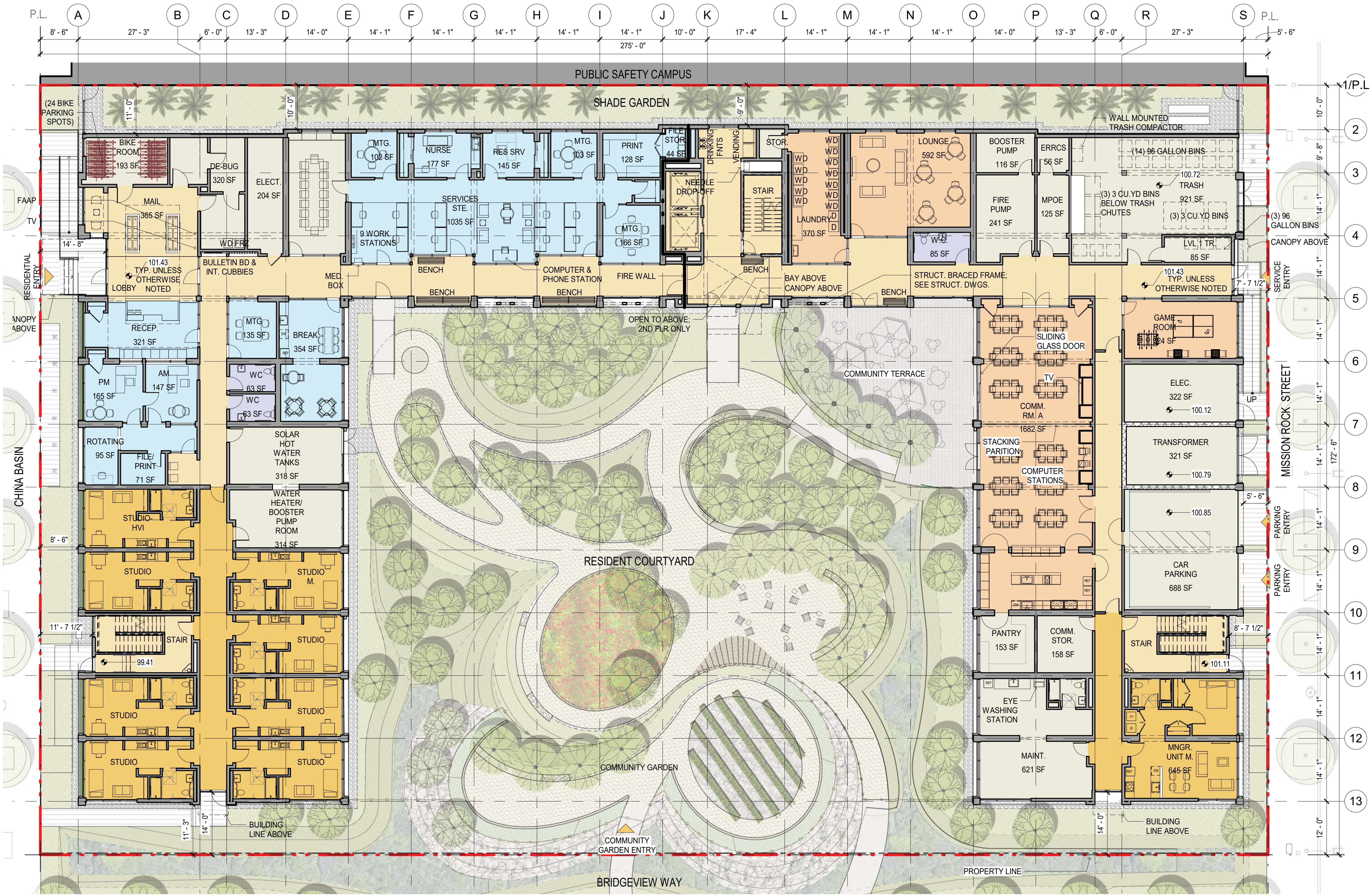
SAN FRANCISCO, CA 94158

3.7

COLOR LEGEND: CIRCULATION | COMMON AREA | OFFICES | PUBLIC | RESTROOMS | UNITS | UTILITY

M- MOBILITY UNITS

HVI- HEARING & VISUALLY IMPAIRED



LMS[A]

BRIDGE CHP

12. 12. 2018

1ST FLOOR PLAN

100% SCHEMATIC DESIGN

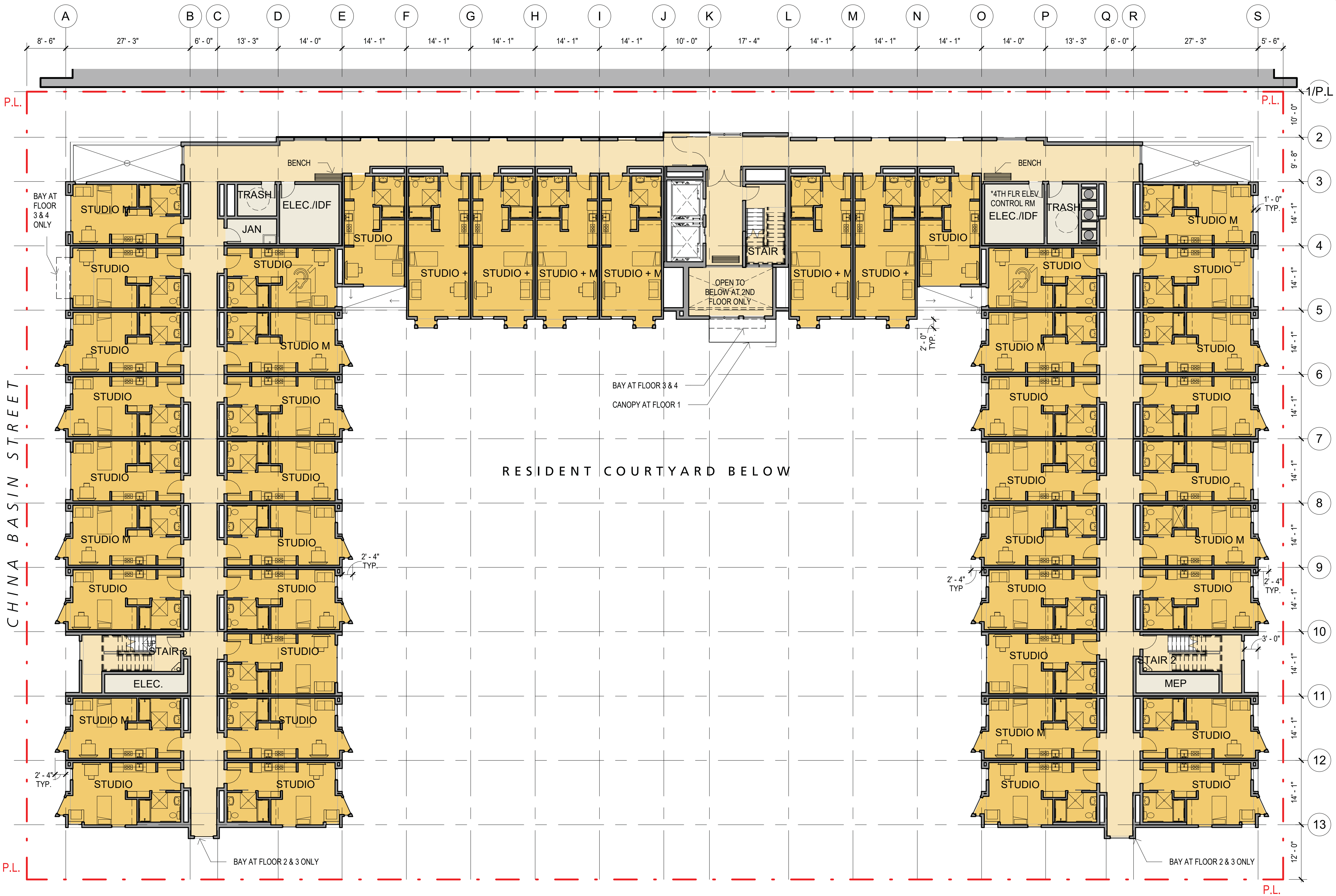
MISSION BAY SOUTH BLOCK 9

410 CHINA BASIN

SAN FRANCISCO, CA 94158

2.1

COLOR LEGEND: CIRCULATION COMMON AREA OFFICES PUBLIC RESTROOMS UNITS UTILITY



LMS[A] lowney arch Y.A. studio

BRIDGE CHP

12. 12. 2018

2ND-4TH FLOOR PLAN

100% SCHEMATIC DESIGN

MISSION BAY SOUTH BLOCK 9

410 CHINA BASIN

SAN FRANCISCO, CA 94158

2.2

Attachment G: Comparison of City Investment in Other Housing Developments

Affordable Multifamily Housing New Construction Cost Comparison

Updated 2/24/2020

Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments
PROJECTS COMPLETED						**Building Square Footage**			**Total Project Costs**							
Dr. George Davis Senior Comm.	1751 Carroll Ave	80,209	Jun-16	121	125	90,475	62,340	152,815	$ 4,991,545	$ 49,115,147	$ 11,557,097	$ 65,663,789	$ 26,221,201	$ 60,672,244		4 Type V over 2 Type IA. (bsmt pkg) & comml. Kitchen (significant non-res.)
95 Laguna Senior	95 Lagnua	14,300	May-19	79	82	59,785	7,316	67,101	$ 5,012,000	$ 32,343,643	$ 11,343,750	$ 48,699,393	$ 21,234,000	$ 43,687,393	9% LIHTC	7 Story - 5 stories Type III over 2 stories Type IA + Community Services space (Open House)
Booker T Washington	800 Presidio	8,000	Feb-18	50	52	40,340	20,700	61,040	$ 3,323,000	$ 33,156,708	$ 6,019,350	$ 42,499,058	$ 9,026,304	$ 39,176,058	HCD MHP Loan	Type V over Type I Pod. Total cost includes a Community Center of $8.4MM
Transbay 7 - Natalie Gubb Comm	222 Beale Street	29,209	Oct-18	120	208	118,251	5,000	123,251	$ 35,000	$ 60,299,932	$ 16,314,468	$ 76,649,400	$ 25,560,000	$ 76,614,400	HCD AHSC Loan	3 Buildings - Type I Podium, 4-8 stories (Pueblo structural system), plus Childcare shell
Mission Family Housing	1036 Mission	15,200	Oct-18	88	134	92,462	6,955	99,417	$ 5,551,029	$ 40,747,220	$ 6,583,453	$ 52,881,702	$ 17,704,400	$ 47,330,673	2 HCD Loans (MHP & TOD)	Type IB - 9 story
Mission Bay Bl 6 East	626 Mission Bay Blvd. North	63,250	Nov-18	143	276	162,080	9,719	171,799	$ 148,125	$ 78,931,139	$ 15,222,907	$ 94,302,171	$ 35,750,000	$ 94,154,046	HCD AHSC Loan	Type IIIA & V over Type I podium, 41 pkg spaces, Mission Bay soils and infrastructure
Mission Bay S. Block 3E	1150 Third Street	47,140	Jan-20	119	192	83,138	41,062	124,200	$ -	$ 60,923,451	$ 17,881,720	$ 78,805,171	$ 20,093,600	$ 78,805,171	HCD VHHP Loan	Type V over Type I podium strong articulation / ext. skin added due to D4D reqmts.
Potrero Block X (Vertical)	25th and Connecticut	30,000	Sep-19	72	139	86,569	28,952	115,521	$ 20,700	$ 59,794,074	$ 12,766,230	$ 72,581,004	$ 17,693,093	$ 72,560,304		Type IIIA & V over Type I Podium (4-6 stories) stepped w/ topography. No infrast. Cost
Eddy and Taylor Family Housing	222 Taylor	22,344	Jun-19	113	211	108,440	21,086	129,526	$ 9,300,000	$ 56,238,031	$ 14,837,459	$ 80,375,490	$ 22,187,436	$ 71,075,490	2 HCD Loans (MHP & TOD)	Type IB - 8 story, extensive PG&E regional switch required
Parcel O	455 Fell Street	37,428	Jun-19	108	165	82,117	31,128	113,245	$ -	$ 56,676,284	$ 9,994,087	$ 66,648,743	$ 17,309,250	$ 66,648,743	HCD AHSC Loan	Type V over Type I from approved eval dated 05/05/17
Completed Projects:	***Average:***	***34,708***		***101***	***158***	***92,366***	***23,426***	***115,792***	***$ 3,547,675***	***$ 52,822,563***	***$ 12,252,052***	***$ 67,910,592***	***$ 21,277,928***	***$ 65,072,452***		

Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments
PROJECTS UNDER CONSTRUCTION						**Building Square Footage**			**Total Project Costs**							
Sunnydale Parcel Q	1477-1497 Sunnydale Ave	21,757	Jun-20	55	102	75,101	0	75,101	$ -	$ 33,327,716	$ 10,072,197	$ 43,399,913	$ 9,652,147	$ 43,399,913	9% LIHTC	Type IV - 5 Stories over grade podium parking
490 South Van Ness	490 S. Van Ness Avenue	14,250	Apr-20	81	121	51,639	28,985	80,624	$ 18,500,000	$ 43,647,993	$ 13,393,811	$ 75,541,804	$ 28,892,030	$ 57,041,804		Type IA - 7 stories over partial basement
2060 Folsom Street	2060 Folsom	29,075	Nov-20	127	252	155,648	11,810	167,458	$ 134,931	$ 71,655,660	$ 20,100,172	$ 91,890,763	$ 31,697,110	$ 91,755,832	HCD AHSC Loan	9 Story Type IB - TAY, Childcare, Community Hub w/AHSC Improvements of $6MM
1950 Mission Street	1950 Mission Street	36,590	Nov-20	157	262	113,432	48,142	161,574	$ 9,775,000	$ 85,644,853	$ 15,171,496	$ 110,591,349	$ 44,945,740	$ 100,816,349	HCD AHSC Loan	Type IA - 9 stories with significant (30% of sf) art and PDR spaces and Paseo Des Artes
1990 Folsom Street	1990 Folsom	29,047	Dec-20	143	226	138,824	15,063	153,887	$ 8,407,380	$ 73,760,332	$ 25,616,512	$ 107,784,224	$ 46,711,496	$ 99,376,844		Mixed type - Type VA (townhomes) and 8 story Type I over Podium
735 Davis Senior Housing	735 Davis	10,165	Nov-20	53	54	46,143	1,257	47,400	$ -	$ 29,049,657	$ 11,846,397	$ 40,896,054	$ 18,525,949	$ 40,896,054		Type IIIA & V over Type I Podium (5-6 stories) - Senior
88 Broadway - Family Housing	88 Broadway	38,182	Mar-21	125	221	140,279	8,700	148,979	$ 14,900,000	$ 69,461,936	$ 27,758,226	$ 112,120,162	$ 27,908,676	$ 97,220,162		Type IIIA & V over Type I Podium (5-6 stories) - family
691 China Basin (MB South 6W)	691 China Basin St	49,437	Mar-21	152	294	178,050	7,098	185,148	$ -	$ 93,617,452	$ 27,507,082	$ 121,124,534	$ 47,361,690	$ 121,124,534	HCD IIG Grant	Type III/podium and Type V/podium on mews wing, incl. 28 parking spaces, 4,640 sf child care spac
Under Construction:	***Average:***	***28,563***		***112***	***192***	***112,390***	***15,132***	***127,521***	***10,343,462***	***62,520,700***	***18,933,237***	***87,918,600***	***31,961,855***	***81,453,937***		

Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments
PROJECTS IN PREDEVELOPMENT						**Building Square Footage**			**Total Project Costs**							
4840 Mission	4840 Mission	63,127	Jan-22	114	182	119,569	8,300	127,869	$ 12,000,000	$ 76,707,054	$ 13,329,476	$ 102,036,530	$ 27,786,294	$ 90,036,530	HCD MHP Loan	NO CURRENT COSTING DATA -Mixed type - Type VA (townhomes) and Type IIIA over Type I Podi
Maceo May	Treasure Island C3.2 Bl C3.A	32,203	Jan-21	105	138	68,488	35,472	103,960	$ 15,000	$ 59,362,064	$ 16,656,423	$ 76,033,487	$ 18,000,000	$ 76,018,487	2 HCD Loans (VHHP & MHP)	Type IIIA factory built over Type I Podium (3-6 stories). 20 Pkg spaces - TI development weather res
500 Turk Street	500 Turk Street	18,906	Jan-20	108	186	82,805	26,586	109,391	$ 1,853,895	$ 54,288,491	$ 29,815,020	$ 85,957,406	$ 32,400,000	$ 84,103,511	HCD AHSC Loan	Type I 8 stories on constrained site
1064 Mission Street	1064 Mission Street	50,844	Aug-21	258	258	152,519	5,391	157,910	$ 1	$ 106,056,762	$ 37,557,505	$ 143,614,268	$ 46,638,404	$ 143,614,267	bond 4% credits AHP & NPLH	Type IIIA over Type I podium - factory built
Francis Scott Key Ed Housing	1351 42nd	60,000	Mar-21	129	189	94,690	23,804	118,494	$ -	$ 60,260,622	$ 12,479,898	$ 72,740,520	$ 25,469,902	$ 72,740,520	9% LIHTC	Type V 4 stories on grade courtyard, 9% LIHTC proposed
681 Florida	681 Florida Street	19,000	Sep-20	130	199	89,770	58,530	148,300	$ -	$ 74,425,394	$ 24,032,716	$ 98,458,110	$ 36,923,181	$ 98,458,110	HCD MHP Loan	Type I mid rise, Large PDR presence
Casa de la Mision	3001 24th Street	6,715	Feb-20	45	45	26,439	1,239	27,678	$ 3,225,000	$ 17,049,794	$ 425,847	$ 20,700,641	$ 1,313,694	$ 21,988,460	9% LIHTC & private donation	Type V over Type I podium
Potrero Block B	TBD	70,132	Jan-21	157	331	160,000	-	160,000	$ -	$ 126,588,392	$ 24,990,228	$ 151,578,620	$ 15,688,292	$ 151,578,620	4% Credits; HCD IIG & AHSC	Type 1 Midrise, includes infrastructure costs
266 4th Street	266 4th Street	8,400	Dec-21	70	99	58,663	1,580	60,500	$ 133,100	$ 42,600,330	$ 17,001,667	$ 58,984,284	$ 9,393,118	$ 59,117,384		Type I , 8 stories over MUNI substation tunnel, structurally complex, small footprint
Parcel U	78 Haight Street	5,583	Dec-20	63	63	31,952	14,089	46,041	$ 24,643	$ 33,965,900	$ 15,172,696	$ 49,163,239	$ 16,356,931	$ 49,138,596	9% Fed Credits & State Credits	Type I mid rise on very small / tight site
600 7th Street	600 7th Street	37,800	Apr-22	200	290	107,000	45,857	152,857	$ 10,000	$ 113,057,596	$ 20,826,614	$ 133,894,210	$ 48,956,220	$ 133,884,210	Fed & State Credits; HCD IIG Gra	Type I, 8 stories
180 Jones Street	180 Jones Street	4,853	Sep-21	72	72	29,800	3,700	33,500	$ -	$ 34,109,171	$ 13,639,695	$ 47,748,866	$ 13,950,000	$ 47,748,866	4% LIHTC + MHP	Type I Mid Rise on small very tight site (studios)
In Predevelopment	***Average:***	***31,464***		***121***	***171***	***85,141***	***18,712***	***103,875***	***2,157,705***	***66,539,297***	***18,827,315***	***86,742,515***	***24,406,336***	***85,702,297***		
ALL PROJECTS	***Average:***	***31,578***		***111***	***174***	***96,632***	***19,090***	***115,729***	***$ 5,349,614***	***$ 60,627,520***	***$ 16,670,868***	***$ 80,857,236***	***$ 25,882,040***	***$ 77,409,562***		
Mission Bay South Block 9	**410 China Basin Street**	**47,437**	**6/1/2020**	**141**	**141**	**100,260**	**-**	**100,260**	**$ -**	**$ 64,628,177**	**$ 16,731,424**	**$ 81,359,601**	**$ 37,245,760**	**$ 81,359,601**	**State Tax Credits**	**Type V factory built**

Project Name	Compl. Date / Start Date (anticipated)	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft[6]	Soft/unit	Soft/BR	Soft/sq.ft6	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft6	Subsidy / unit	Leveraging[7]
PROJECTS COMPLETED		**Acquisition by Unit/Bed/SF**			**Construction by Unit/Bed/SF**			**Soft Costs By Unit/Bed/SF**			**Total Development Cost (Incl. Land)**			**Subsidy**	
Dr. George Davis Senior Comm.	Jun-16	41,252	39,932	62	405,910	392,921	321	95,513	$ 92,457	$ 76	$ 542,676	$ 525,310	$ 430	$ 216,704	60.1%
95 Laguna Senior	May-19	63,443	61,122	350	409,413	394,435	482	143,592	$ 138,338	$ 169	$ 616,448	$ 593,895	$ 726	$ 268,785	56.4%
Booker T Washington	Feb-18	66,460	63,904	415	663,134	637,629	543	120,387	$ 115,757	$ 99	$ 849,981	$ 817,290	$ 696	$ 180,526	78.8%
Natalie Gubb Commons (TB7)	Oct-18	292	168	1	502,499	289,904	489	135,954	$ 78,435	$ 132	$ 638,745	$ 368,507	$ 622	$ 213,000	66.7%
Mission Family Housing	Oct-18	63,080	41,426	365	463,037	304,084	410	74,812	$ 49,130	$ 66	$ 600,928	$ 394,640	$ 532	$ 201,186	66.5%
Mission Bay S6E	Nov-18	1,036	537	2	551,966	285,982	459	106,454	$ 55,155	$ 89	$ 659,456	$ 341,675	$ 549	$ 250,000	62.1%
Mission Bay S. Block 3 East	Jan-20	-	-	-	511,962	317,310	491	150,267	$ 93,134	$ 144	$ 662,228	$ 410,444	$ 635	$ 168,854	62.5%
Potrero Block X (Vertical)	Sep-19	288	149	1	830,473	430,173	518	177,309	$ 91,843	$ 111	$ 1,008,069	$ 522,165	$ 628	$ 245,737	75.6%
Eddy & Taylor Family Housing	Jun-19	82,301	44,076	416	497,682	266,531	434	131,305	$ 70,320	$ 115	$ 711,288	$ 380,926	$ 621	$ 196,349	72.4%
Parcel O	Jun-19	-	-	-	524,780	343,493	500	92,538	$ 60,570	$ 211	$ 617,118	$ 403,932	$ 589	$ 160,271	74.0%
Completed Projects:	***Average:***	***39,769***	***31,414***	***202***	***536,086***	***366,246***	***465***	***122,813***	***$ 84,514***	***$ 121***	***$ 690,694***	***$ 475,878***	***$ 603***	***$ 210,141***	***68%***
PROJECTS UNDER CONSTRUCTION	**Compl. Date**	**Acquisition**			**Construction**			**Soft Costs**			**Total Development Cost (Incl. Land)**			**Subsidy**	
Sunnydale Parcel Q	Jun-20	-	-	-	605,958	326,742	444	183,131	$ 98,747	$ 134	$ 789,089	$ 425,489	$ 578	$ 175,494	77.8%
490 South Van Ness	Apr-20	228,395	152,893	1,298	538,864	360,727	541	165,356	$ 110,693	$ 166	$ 932,615	$ 624,312	$ 937	$ 356,692	61.8%
2060 Folsom Street	Nov-20	1,062	535	5	564,218	284,348	428	158,269	$ 79,763	$ 120	$ 723,549	$ 364,646	$ 549	$ 249,584	65.5%
1950 Mission Street	Nov-20	62,261	37,309	267	545,509	326,889	530	96,634	$ 57,906	$ 94	$ 704,403	$ 422,104	$ 684	$ 286,279	59.4%
1990 Folsom Street	Dec-20	58,793	37,201	289	515,807	326,373	479	179,136	$ 113,347	$ 166	$ 753,736	$ 476,921	$ 700	$ 326,654	56.7%
735 Davis	Nov-20	-	-	-	548,107	537,957	613	223,517	$ 219,378	$ 250	$ 771,624	$ 757,334	$ 863	$ 349,546	54.7%
88 Broadway - Family Housing	Mar-21	119,200	67,421	390	555,695	314,307	466	222,066	$ 125,603	$ 186	$ 896,961	$ 507,331	$ 753	$ 223,269	75.1%
691 China Basin MBS 6W	Mar-21	-	-	-	615,904	318,427	506	180,968	$ 93,562	$ 149	$ 796,872	$ 411,988	$ 654	$ 311,590	60.9%
Under Construction:	***Average:***	***93,942***	***59,072***	***450***	***561,258***	***349,471***	***501***	***176,135***	***112,375***	***158***	***796,106***	***498,766***	***715***	***284,888***	***64%***
PROJECTS IN PREDEVELOPMENT	**Start Date (anticipated)**	**Acquisition**			**Construction**			**Soft Costs**			**Total Development Cost (Incl. Land)**			**Subsidy**	
4840 Mission	Jan-22	105,263	65,934	190	672,869	421,467	600	116,925	$ 73,239	$ 104	$ 895,057	$ 560,640	$ 798	$ 243,739	72.8%
Maceo May	Jan-21	143	109	0	565,353	430,160	571	158,633	$ 120,699	$ 160	$ 724,128	$ 550,967	$ 731	$ 171,429	76.3%
500 Turk Street	Jan-20	17,166	9,967	98	502,671	291,874	496	276,065	$ 160,296	$ 273	$ 795,902	$ 462,137	$ 786	$ 300,000	62.3%
1064 Mission Street	Aug-21	0	0	0	411,073	411,073	672	145,572	$ 145,572	$ 238	$ 556,644	$ 556,644	$ 909	$ 180,769	67.5%
FSK Educator Housing	Mar-21	-	-	-	467,137	318,839	509	96,743	$ 66,031	$ 105	$ 563,880	$ 384,870	$ 614	$ 197,441	65.0%
681 Florida	Sep-20	-	-	-	572,503	373,997	502	184,867	$ 120,767	$ 162	$ 757,370	$ 494,764	$ 664	$ 284,024	93.7%
Casa de la Mision	Feb-20	71,667	71,667	480	378,884	378,884	616	9,463	$ 9,463	$ 15	$ 460,014	$ 460,014	$ 748	$ 29,193	93.7%
Potrero Block B	Jan-21	-	-	-	806,295	382,442	791	159,173	$ 75,499	$ 156	$ 965,469	$ 457,941	$ 947	$ 99,925	89.7%
4th and Folsom	Dec-21	1,901	1,344	16	608,576	430,306	704	242,881	$ 171,734	$ 281	$ 842,633	$ 595,801	$ 975	$ 134,187	84.1%
Parcel U	Dec-20	391	391	4	539,141	539,141	738	240,836	$ 240,836	$ 330	$ 780,369	$ 780,369	$ 1,068	$ 259,634	66.7%
600 7th Street	Apr-22	50	34	0	565,288	389,854	740	104,133	$ 71,816	$ 136	$ 669,471	$ 461,704	$ 876	$ 244,781	63.4%
180 Jones Street	Sep-21	-	-	-	473,738	473,738	1,018	189,440	$ 189,440	$ 407	$ 663,179	$ 663,179	$ 1,425	$ 193,750	70.8%
In Predevelopment	***Average:***	***32,698***	***24,843***	***131***	***546,961***	***403,481***	***663***	***160,394***	***120,449***	***197***	***722,843***	***535,753***	***878***	***194,906***	***75%***
All Projects:	***AVERAGE***	***55,470***	***38,443***	***261***	***548,101***	***373,066***	***543***	***153,114***	***$ 105,779***	***$ 159***	***$ 736,548***	***$ 503,466***	***$ 732***	***$ 229,979***	***69.0%***
Mission Bay South Block 9	**Jun-20**	**$ -**	**$ -**	**$ -**	**$ 458,356**	**$ 458,356**	**$ 645**	**$ 118,663**	**$ 118,663**	**$ 167**	**$ 577,018**	**$ 577,018**	**$ 811**	**$ 264,154**	**54.2%**

Attachment H: Permanent Sources and Uses, Attachment I: Early Gap Funds Budget, Attachment J: 1st Year Operating Budget, Attachment K 20 Year Cash Flow

Application Date: 2/1/20 **# Units:** 141
Project Name: Mission Bay South Block 9 ***# Bedrooms:*** 141 **LOSP Project**
Project Address: 410 China Basin Street **# Beds:**
Project Sponsor: BRIDGE Housing Corp. & Community Housing Partnership

							Total Sources	Comments	
SOURCES	**37,245,760**	**1,500,000**	**500,000**	**42,113,841**	**-**	**-**	**81,359,601**		
Name of Sources:	MOHCD/OCII	AHP	GP Equity	LP Equity					
USES									
ACQUISITION									
Acquisition cost or value							0		
Legal / Closing costs / Broker's Fee							0		
Holding Costs							0		
Transfer Tax							0		
TOTAL ACQUISITION	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
CONSTRUCTION (HARD COSTS)									
Unit Construction/Rehab	20,572,065	1,500,000	500,000	29,972,718			52,544,783	Includes modular contract and Solar PV	
Commercial Shell Construction							0		
Demolition							0		
Environmental Remediation							0		
Onsight Improvements/Landscaping							0		
Offsite Improvements							0		Construction line item costs as a % of hard costs
Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.	
Parking							0		
GC Bond Premium/GC Insurance/GC Taxes	755,061						755,061		**1.4%**
GC Overhead & Profit	2,011,302						2,011,302		**3.8%**
CG General Conditions	1,373,147						1,373,147		**2.6%**
Sub-total Construction Costs	*24,711,575*	*1,500,000*	*500,000*	*29,972,718*	*0*	*0*	*56,684,293*		
Design Contingency (remove at DD)	1,024,561						1,024,561	2.0%, per underwriting guidelines	**1.9%**
Bid Contingency (remove at bid)	2,626,084						2,626,084	5%, per underwriting guidelines	**5.0%**
Plan Check Contingency (remove/reduce during Plan Revi	1,324,561						1,324,561	2.5%, per underwriting guidelines	**2.5%**
Hard Cost Construction Contingency	306,246			2,825,054			3,131,300	6% instead of the minimum 5% to allow for modular risks	**6.0%**
Sub-total Construction Contingencies	*5,281,452*	*0*	*0*	*2,825,054*	*0*	*0*	*8,106,506*		
TOTAL CONSTRUCTION COSTS	**29,993,027**	**1,500,000**	**500,000**	**32,797,772**	**0**	**0**	**64,790,799**		
SOFT COSTS									
Architecture & Design									
Architect design fees	1,651,835						1,651,835	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms	
Design Subconsultants to the Architect (incl. Fees)	1,665,676						1,665,676		
Architect Construction Admin	10,000						10,000		
Reimbursables							0		
Additional Services							0		
Sub-total Architect Contract	*3,327,511*	*0*	*0*	*0*	*0*	*0*	*3,327,511*		
Other Third Party design consultants (not included under Architect contract)	290,114			26,382			316,496	Cathodic Protection, Joint Trench, Factory Built Consultant, Permit Expeditor, Environmental, Printing Owner Costs	
Total Architecture & Design	**3,617,625**	**0**	**0**	**26,382**	**0**	**0**	**3,644,007**		
Engineering & Environmental Studies									
Survey	37,900						37,900		
Geotechnical studies	209,728						209,728		
Phase I & II Reports	35,000			13,000			48,000		
CEQA / Environmental Review consultants				17,010			17,010		
NEPA / 106 Review							0		
CNA/PNA (rehab only)							0		
Other environmental consultants							0	Name consultants & contract amounts	
Total Engineering & Environmental Studies	**282,628**	**0**	**0**	**30,010**	**0**	**0**	**312,638**		
Financing Costs									
Construction Financing Costs									
Construction Loan Origination Fee				221,096			221,096		
Construction Loan Interest				2,496,298			2,496,298		
Title & Recording	10,000			70,000			80,000		
CDLAC & CDIAC fees				22,196			22,196		
Bond Issuer Fees				325,902			325,902	Issuer Financial Advisor ($45k), Upfront Issuer Fee ($122,832), Issuer Fee during constr ($133,068), Construction Lender Expenses ($25k)	
Other Bond Cost of Issuance							0		
Other Lender Costs Predev Loan Interest	8,266						8,266		
Sub-total Const. Financing Costs	*18,266*	*0*	*0*	*3,135,492*	*0*	*0*	*3,153,758*		
Permanent Financing Costs									
Permanent Loan Origination Fee							0		
Credit Enhance. & Appl. Fee							0		
Title & Recording							0		
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Total Financing Costs	**18,266**	**0**	**0**	**3,135,492**	**0**	**0**	**3,153,758**		
Legal Costs									
Borrower Legal fees	134,191			95,809			230,000		
Land Use / CEQA Attorney fees							0		
Tax Credit Counsel							0		
Bond Counsel				75,000			75,000		
Construction Lender Counsel				50,000			50,000		
Permanent Lender Counsel							0		
Other Legal - Predevelopment and Acquisiton Legal	20,101						20,101		
Total Legal Costs	**154,292**	**0**	**0**	**220,809**	**0**	**0**	**375,101**		
Other Development Costs									
Appraisal	15,000						15,000		
Market Study	10,000						10,000		
Insurance	1,475,074						1,475,074	Increased from $1,410,609 pricing estimate from Gallagher in Fall, 2019	
Property Taxes							0		
Accounting / Audit	0			45,000			45,000		
Organizational Costs							0		
Entitlement / Permit Fees				794,493			794,493	Includes permit fees and impact fees	
Marketing / Rent-up				141,000			141,000		
Furnishings	78,150			723,000			801,150	$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees	250,000			64,810			314,810		
TCAC App / Alloc / Monitor Fees	50,000			42,497			92,497		
Financial Consultant fees	55,000			10,000			65,000		
Construction Management fees / Owner's Rep	70,000			105,000			175,000		
Security during Construction							0		
Relocation							0		
Other Special Inspections				200,000			200,000		
Other Prevailing Wage Monitor				40,000			40,000		Total Soft Cost Contingency as % of Total Soft Costs
Other Misc Owner Consultants				125,000			125,000	Includes SBE Outreach	
Total Other Development Costs	**2,003,224**	**0**	**0**	**2,290,800**	**0**	**0**	**4,294,024**		
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)	676,698	0	0	317,616		0	994,314	Should be either 10% or 5% of total soft costs.	**8.4%**
TOTAL SOFT COSTS	**6,752,733**	**0**	**0**	**6,021,109**	**0**	**0**	**12,773,843**		
RESERVES									
Operating Reserves				434,960			434,960		
Replacement Reserves							0		
Tenant Improvements Reserves							0		
Other Mission Bay Settlement Reserve				250,000			250,000		
Other (specify)							0		
Other (specify)							0		
TOTAL RESERVES	**0**	**0**	**0**	**684,960**	**0**	**0**	**684,960**		
DEVELOPER COSTS									
Developer Fee - Cash-out Paid at Milestones	500,000			2,610,000			3,110,000		
Developer Fee - Cash-out At Risk							0		
Developer Fee - GP Equity (also show as source)							0		
Developer Fee - Deferred (also show as source)							0		
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)							0		
TOTAL DEVELOPER COSTS	**500,000**	**0**	**0**	**2,610,000**	**0**	**0**	**3,110,000**		
TOTAL DEVELOPMENT COST	**37,245,760**	**1,500,000**	**500,000**	**42,113,841**	**0**	**0**	**81,359,601**		
Development Cost/Unit by Source	264,154	10,638	3,546	298,680	0	0	577,018		
Development Cost/Unit as % of TDC by Source	45.8%	1.8%	0.6%	51.8%	0.0%	0.0%	100.0%		
Acquisition Cost/Unit by Source	0	0	0	0	0	0	0		
Construction Cost (inc Const Contingency)/Unit By Source	212,717	10,638	3,546	232,608	0	0	459,509		
Construction Cost (inc Const Contingency)/SF	433.49	21.68	7.23	474.02	0.00	0.00	936.42		
City Subsidy/Unit	264,154								
Tax Credit Equity Pricing:	0.97								
Construction Bond Amount:	49,132,841								
Construction Loan Term (in months):	26 months								
Construction Loan Interest Rate (as %):	4.00%								

MOHCD Proforma - Predevelopment Financing Sources Uses of Funds

Early Gap Funds

Application Date:	2/1/20	**# Units:**	141
Project Name:	Mission Bay South Block 9	***# Bedrooms:***	140
Project Address:	410 China Basin Street	**# Beds:**	
Project Sponsor:	BRIDGE Housing Corp. & Community Housing Partnership		

LOSP Project

							Total Sources	**Comments**	
SOURCES	**10,919,790**	-	-	-	-	-	**10,919,790**		
Name of Sources:	MOHCD/OCII								
USES									
ACQUISITION									
Acquisition cost or value							0		
Legal / Closing costs / Broker's Fee							0		
Holding Costs							0		
Transfer Tax							0		
TOTAL ACQUISITION	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
CONSTRUCTION (HARD COSTS)									
Unit Construction/Rehab	8,268,640						8,268,640	Includes remainder of pile deposit ($550k), FOS material deposit ($2,050,000), FOS Assembly Line Deposit ($512,140), FOS Prototype Deposit ($100k), and remainder of Precon Deposit ($112,500), Early Pre-Authorizations ($100k). $4.8m is the cost to maintain the schedule in case there is a delay that pushes us up until our CDLAC readiness deadline in August. Please see draw down schedule attached which has a modular production payment of $2,090,000 due 7/1/20 and a second production payment of $2,754,000 due 8/1/20	
Commercial Shell Construction							0		
Demolition							0		
Environmental Remediation							0		
Onsight Improvements/Landscaping							0		Construction line item costs as a % of hard costs
Offsite Improvements							0		
Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.	
Parking							0		
GC Bond Premium/GC Insurance/GC Taxes							0		**0.0%**
GC Overhead & Profit							0		**0.0%**
CG General Conditions							0		**0.0%**
Sub-total Construction Costs	*8,268,640*	*0*	*0*	*0*	*0*	*0*	*8,268,640*		
Design Contingency (remove at DD)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**0.0%**
Bid Contingency (remove at bid)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**0.0%**
Plan Check Contingency (remove/reduce during Plan Review)							0	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+	**0.0%**
Hard Cost Construction Contingency							0	5% new construction / 15% rehab	**0.0%**
Sub-total Construction Contingencies	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
TOTAL CONSTRUCTION COSTS	**8,268,640**	**0**	**0**	**0**	**0**	**0**	**8,268,640**		
SOFT COSTS									
Architecture & Design									
Architect design fees	657,000						657,000	Estimate for A&E to get through a June/July 2020 construction closing.	
Design Subconsultants to the Architect (incl. Fees)							0		
Architect Construction Admin							0		
Reimbursables							0		
Additional Services							0		
Sub-total Architect Contract	*657,000*	*0*	*0*	*0*	*0*	*0*	*657,000*		
Other Third Party design consultants (not included under Architect contract)							0		
Total Architecture & Design	**657,000**	**0**	**0**	**0**	**0**	**0**	**657,000**		
Engineering & Environmental Studies									
Survey							0		
Geotechnical studies							0		
Phase I & II Reports							0		
CEQA / Environmental Review consultants							0		
NEPA / 106 Review							0		
CNA/PNA (rehab only)							0		
Other environmental consultants							0	Name consultants & contract amounts	
Total Engineering & Environmental Studies	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
Financing Costs									
Construction Financing Costs									
Construction Loan Origination Fee							0		
Construction Loan Interest							0		
Title & Recording							0		
CDLAC & CDIAC fees							0		
Bond Issuer Fees							0		
Other Bond Cost of Issuance							0		
Other Lender Costs Predev Loan Interest	6,904						6,904	Estimate for Cahill and BRIDGE Predev Interest for Pile Deposit - 6% for 3 months carry	
Sub-total Const. Financing Costs	*6,904*	*0*	*0*	*0*	*0*	*0*	*6,904*		
Permanent Financing Costs									
Permanent Loan Origination Fee							0		
Credit Enhance. & Appl. Fee							0		
Title & Recording							0		
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Total Financing Costs	**6,904**	**0**	**0**	**0**	**0**	**0**	**6,904**		
Legal Costs									
Borrower Legal fees							0		
Land Use / CEQA Attorney fees							0		
Tax Credit Counsel							0		
Bond Counsel							0		
Construction Lender Counsel							0		
Permanent Lender Counsel							0		
Other Legal (specify)							0		
Total Legal Costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
Other Development Costs									
Appraisal							0		
Market Study							0		
Insurance	1,474,746						1,474,746	To be confirmed with Gallagher that 100% of OCIP to be paid for pile indicator scope	
Property Taxes							0		
Accounting / Audit							0		
Organizational Costs							0		
Entitlement / Permit Fees	150,000						150,000	Estimate for unexpected permit costs	
Marketing / Rent-up							0		
Furnishings							0	$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees	250,000						250,000		
TCAC App / Alloc / Monitor Fees							0		
Financial Consultant fees							0		
Construction Management fees / Owner's Rep							0		
Security during Construction							0		
Relocation							0		
Other (specify)							0		
Other (specify)							0		Total Soft Cost Contingency as % of Total Soft Costs
Other (specify)							0		
Total Other Development Costs	**1,874,746**	**0**	**0**	**0**	**0**	**0**	**1,874,746**		
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)	112,500	0	0	0	0	0	112,500	Should be either 10% or 5% of total soft costs.	**4.4%**
TOTAL SOFT COSTS	**2,651,150**	**0**	**0**	**0**	**0**	**0**	**2,651,150**		
RESERVES									
Operating Reserves							0		
Replacement Reserves							0		
Tenant Improvements Reserves							0		
Other (specify)							0		
Other (specify)							0		
Other (specify)							0		
TOTAL RESERVES	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
DEVELOPER COSTS									
Developer Fee - Cash-out Paid at Milestones							0		
Developer Fee - Cash-out At Risk							0		
Developer Fee - GP Equity (also show as source)									
Developer Fee - Deferred (also show as source)							0		
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)							0		
TOTAL DEVELOPER COSTS	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
TOTAL DEVELOPMENT COST	**10,919,790**	**0**	**0**	**0**	**0**	**0**	**10,919,790**		
Development Cost/Unit by Source	77,445	0	0	0	0	0	77,445		
Development Cost/Unit as % of TDC by Source	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%		
Acquisition Cost/Unit by Source	0	0	0	0	0	0	0		
Construction Cost (inc Const Contingency)/Unit By Source	58,643	0	0	0	0	0	58,643		
Construction Cost (inc Const Contingency)/SF	119.51	0.00	0.00	0.00	0.00	0.00	119.51		
City Subsidy/Unit	77,445								
Tax Credit Equity Pricing:	0.97								
Construction Bond Amount:	49,132,841								
Construction Loan Term (in months):	26 months								
Construction Loan Interest Rate (as %):	4.00%								

Application Date:	**2/1/2020**	LOSP Units	Non-LOSP Units		**Project Name:**	**Mission Bay South Block 9**
Total # Units:	**141**	**141**	**0**		**Project Address:**	**410 China Basin Street**
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations)**:**	**2021**	LOSP/non-LOSP Allocation			**Project Sponsor:**	**BRIDGE Housing Corp. & Community Housing Partnership**
		100%	0%			

INCOME	**LOSP**	**non-LOSP**	**Total**	**Comments**		
Residential - Tenant Rents	504,000	0	504,000	Links from 'New Proj - Rent & Unit Mix' Worksheet		**Alternative LOSP Split**
Residential - Tenant Assistance Payments (Non-LOSP)	0	0	0	Links from 'New Proj - Rent & Unit Mix' Worksheet		Residential - Tenant Assistance Payments (No
Residential - LOSP Tenant Assistance Payments	1,288,687		1,288,687			
Commercial Space			0	0%		
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet		
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet		**Alternative LOSP Split**
Supportive Services Income	0	0				Supportive Services Income
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet		
Laundry and Vending	0	0	0	Links from 'Utilities & Other Income' Worksheet		**Projected LOSP Split**
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet		Tenant Charges
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet		
Other Commercial Income			0	Links from 'Commercial Op. Budget' Worksheet		**Alternative LOSP Split**
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0				Withdrawal from Capitalized Reserve (deposit
Gross Potential Income	**1,792,687**	**0**	**1,792,687**			
Vacancy Loss - Residential - Tenant Rents	(25,200)	0	(25,200)	Vacancy loss is 5% of Tenant Rents.		
Vacancy Loss - Residential - Tenant Assistance Payments	0	0	0	#DIV/0!		
Vacancy Loss - Commercial			0	Links from 'Commercial Op. Budget' Worksheet		
EFFECTIVE GROSS INCOME	**1,767,487**	**0**	**1,767,487**	***PUPA: 12,535***		
OPERATING EXPENSES						
Management						**Alternative LOSP Split**
Management Fee	136,080	0	136,080	1st Year to be set according to HUD schedule.$81/PUPY current		Management Fee
Asset Management Fee	22,670	0	22,670	Based on MOHCD AM Fee Schedule		Asset Management Fee
Sub-total Management Expenses	**158,750**	**0**	**158,750**	***PUPA: 1,126***		
Salaries/Benefits						**Alternative LOSP Split**
Office Salaries	24,489	0	24,489	Compliance staff and roving site staff		Office Salaries
Manager's Salary	118,836	0	118,836	1 senior site manager and 1 assistant site manager		Manager's Salary
Health Insurance and Other Benefits	118,367	0	118,367			Health Insurance and Other Benefits
Other Salaries/Benefits	0	0				Other Salaries/Benefits
Administrative Rent-Free Unit	0	0				Administrative Rent-Free Unit
Sub-total Salaries/Benefits	**261,693**	**0**	**261,693**	***PUPA: 1,856***		
Administration						
Advertising and Marketing	654	0	654	Tenant credit history checks		
Office Expenses	65,353	0	65,353	Telecom, office supplies, IT expenses, equipment leases, printing, subscriptions, postage		
Office Rent	0	0	0			**Projected LOSP Split**
Legal Expense - Property	16,082	0	16,082	Based on per unit costs at similar properties		Legal Expense - Property
Audit Expense	18,406	0	18,406	Based on costs at similar properties		
Bookkeeping/Accounting Services	15,960	0	15,960	$9.50/PUPY, restricted units		**Projected LOSP Split**
Bad Debts	20,160	0	20,160	4% of tenant rents		Bad Debts
Miscellaneous	30,635	0	30,635	Staff development and training, payroll expense, uniforms, bank charges		
Sub-total Administration Expenses	**167,251**	**0**	**167,251**	***PUPA: 1,186***		
Utilities						**Projected LOSP Split**
Electricity	70,582	0	70,582	T24 Engineer estimate (does not include PV generation) plus 10% contingency due to PSH		Electricity
Water	23,548	0	23,548	T24 engineer estimate (includes SHW offset) plus 10% contingency due to PSH		
Gas	59,398	0	59,398	Based on CY19 RCA/ZAH prorated; no BVW		
Sewer	95,359	0	95,359	Based on CY19 RCA/ZAH prorated		
Sub-total Utilities	**248,887**	**0**	**248,887**	***PUPA: 1,765***		
Taxes and Licenses						**Alternative LOSP Split**
Real Estate Taxes	2,142	0	2,142	Small annual Mello-roos cost		Real Estate Taxes
Payroll Taxes	52,396	0	52,396	Federal - 8% of total salaries, state - 2% of total salaries		Payroll Taxes
Miscellaneous Taxes, Licenses and Permits	5,419	0	5,419	Stae and local taxes and fees, based on similar properties		
Sub-total Taxes and Licenses	**59,958**	**0**	**59,958**	***PUPA: 425***		
Insurance						
Property and Liability Insurance	186,909	0	186,909			
Fidelity Bond Insurance	0	0				**Alternative LOSP Split**
Worker's Compensation	20,958	0	20,958			Worker's Compensation
Director's & Officers' Liability Insurance	0	0				
Sub-total Insurance	**207,868**	**0**	**207,868**	***PUPA: 1,474***		
Maintenance & Repair						
Payroll	215,800	0	215,800	2 Janitors, 0.2 FTE overtime/holiday, 1 senior maintenance tech, 1 maintenance supervisor,		**Projected LOSP Split**
Supplies	27,691	0	27,691	Supplies and repair materials, replacement appliances, unit turnover repairs		Supplies
Contracts	91,323	0	91,323	Includes security alarm, pest control, grounds, fire protection, elevator, and other misc		Contracts
Garbage and Trash Removal	38,050	0	38,050	Includes Greenstreetz diversion $500/mth		**Alternative LOSP Split**
Security Payroll/Contract	189,299	0	189,299	Includes 24/7 front desk coverage		Security Payroll/Contract
HVAC Repairs and Maintenance	0	0				
Vehicle and Maintenance Equipment Operation and Repairs	268	0	268			
Miscellaneous Operating and Maintenance Expenses	0	0				
Sub-total Maintenance & Repair Expenses	**562,431**	**0**	**562,431**	***PUPA: 3,989***		
						Alternative LOSP Split
Supportive Services	0	0	0	Separate HSH contract and MediCal Billing reimbursement contract		Supportive Services
Commercial Expenses			0	Links from 'Commercial Op. Budget' Worksheet		
TOTAL OPERATING EXPENSES	***1,666,836***	***0***	***1,666,836***	***PUPA: 11,822***		
Reserves/Ground Lease Base Rent/Bond Fees						
Ground Lease Base Rent	1	0	1	Ground lease with MOHCD	Provide additional comments here, if needed.	
Bond Monitoring Fee	2,500	0	2,500			**Alternative LOSP Split**
Replacement Reserve Deposit	70,500	0	70,500	$500/unit		Replacement Reserve Deposit
Operating Reserve Deposit	0	0				Operating Reserve Deposit
Other Required Reserve 1 Deposit	0	0				Other Required Reserve 1 Deposit
Other Required Reserve 2 Deposit	0	0				
Required Reserve Deposit/s, Commercial			0	Links from 'Commercial Op. Budget' Worksheet		
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	**73,001**	**0**	**73,001**	***PUPA: 518***	Min DSCR: 1.09	
					Mortgage Rate: 5.00%	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	**1,739,837**	**0**	**1,739,837**	***PUPA: 12,339***	Term (Years): 30	
					Supportable 1st Mortgage Pmt: 25,367	
NET OPERATING INCOME (INCOME minus OP EXPENSES)	**27,650**	**0**	**27,650**	***PUPA: 196***	Supportable 1st Mortgage Amt: $393,783	
					Proposed 1st Mortgage Amt: $37,245,760	
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)						**Alternative LOSP Split**
Hard Debt - First Lender	0	0	0		Provide additional comments here, if needed.	Hard Debt - First Lender
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len	0	0	0		Provide additional comments here, if needed.	Hard Debt - Second Lender (HCD Program 0.4
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0		Provide additional comments here, if needed.	Hard Debt - Third Lender (Other HCD Progran
Hard Debt - Fourth Lender	0	0	0		Provide additional comments here, if needed.	Hard Debt - Fourth Lender
Commercial Hard Debt Service			0	Links from 'Commercial Op. Budget' Worksheet		
TOTAL HARD DEBT SERVICE	**0**	**0**	**0**	***PUPA: 0***		
CASH FLOW (NOI minus DEBT SERVICE)	**27,650**	**0**	**27,650**			
Commercial Only Cash Flow			0			
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	0	0				Allocation of Commercial Surplus to LOPS/no
AVAILABLE CASH FLOW	**27,650**	**0**	**27,650**			
USES OF CASH FLOW BELOW (This row also shows DSCR.)						
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL						
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	0	0				
Partnership Management Fee (see policy for limits)	22,650	0	22,650	2nd		
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	5,000	0	5,000	1st		**Alternative LOSP Split**
Other Payments	0	0				Other Payments
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0			Provide additional comments here, if needed.	Non-amortizing Loan Pmnt - Lender 1 (select
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0			Provide additional comments here, if needed.	
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	0	0		#DIV/0!	Provide additional comments here, if needed.	Deferred Developer Fee (Enter amt <= Max Fe
TOTAL PAYMENTS PRECEDING MOHCD	**27,650**	**0**	**27,650**	***PUPA: 196***		
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	**0**	**0**	**0**			

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?	**No**	Project has MOHCD ground lease?	**Yes**	
Will Project Defer Developer Fee?	**No**			
Max **Deferred Developer Fee/Borrower** % of Residual Receipts in Yr 1:	100%			Sum of DD F from LOSP and non-LOSP:
% of Residual Receipts available for distribution to **soft debt lenders** in	0%			Ratio of Sum of DDF and calculated 50%:

Soft Debt Lenders with Residual Receipts Obligations		*(Select lender name/program from drop down)*	**Total Principal Amt**	**Distrib. of Soft Debt Loans**
MOHCD/OCII - Soft Debt Loans		All MOHCD/OCII Loans payable from res. rects	$5,000,000	100.00%
MOHCD/OCII - Ground Lease Value or Land Acq Cost		Ground Lease Value	$10	0.00%
HCD (soft debt loan) - Lender 3				0.00%
Other Soft Debt Lender - Lender 4				0.00%
Other Soft Debt Lender - Lender 5				0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE				
MOHCD Residual Receipts Amount Due		0	0	0% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment		0	0	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE			**0**	

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE			
HCD Residual Receipts Amount Due		0	
Lender 4 Residual Receipts Due		0	
Lender 5 Residual Receipts Due		0	
Total Non-MOHCD Residual Receipts Debt Service		**0**	
REMAINDER (Should be zero unless there are distributions below)		**0**	
Owner Distributions/Incentive Management Fee		0	
Other Distributions/Uses		0	
Final Balance (should be zero)		**0**	

Mission Bay South Block 9

Total # Units:	LOSP Units	Non-LOSP Units										
141	141	0		Year 1			Year 2			Year 3		
	100.00%	0.00%		2021			2022			2023		
INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Residential - Tenant Rents	1.0%	2.5%		504,000	-	504,000	509,040	-	509,040	514,130	-	514,130
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,288,687		1,288,687	1,343,206		1,343,206	1,399,753		1,399,753
Commercial Space	n/a	2.5%				-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-		-	-	
Gross Potential Income				1,792,687	-	1,792,687	1,852,246	-	1,852,246	1,913,884	-	1,913,884
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(25,200)	-	(25,200)	(25,452)	-	(25,452)	(25,707)	-	(25,707)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				1,767,487	-	1,767,487	1,826,794	-	1,826,794	1,888,177	-	1,888,177
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	136,080	-	136,080	140,843	-	140,843	145,772	-	145,772
Asset Management Fee	3.5%	3.5%	per MOHCD policy	22,670	-	22,670	23,463	-	23,463	24,285	-	24,285
Sub-total Management Expenses				158,750	-	158,750	164,306	-	164,306	170,057	-	170,057
Salaries/Benefits												
Office Salaries	3.5%	3.5%		24,489	-	24,489	25,346	-	25,346	26,233	-	26,233
Manager's Salary	3.5%	3.5%		118,836	-	118,836	122,996	-	122,996	127,300	-	127,300
Health Insurance and Other Benefits	3.5%	3.5%		118,367	-	118,367	122,510	-	122,510	126,798	-	126,798
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				261,693	-	261,693	270,852	-	270,852	280,332	-	280,332
Administration												
Advertising and Marketing	3.5%	3.5%		654	-	654	677	-	677	701	-	701
Office Expenses	3.5%	3.5%		65,353	-	65,353	67,640	-	67,640	70,008	-	70,008
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		16,082	-	16,082	16,645	-	16,645	17,228	-	17,228
Audit Expense	3.5%	3.5%		18,406	-	18,406	19,050	-	19,050	19,717	-	19,717
Bookkeeping/Accounting Services	3.5%	3.5%		15,960	-	15,960	16,519	-	16,519	17,097	-	17,097
Bad Debts	3.5%	3.5%		20,160	-	20,160	20,866	-	20,866	21,596	-	21,596
Miscellaneous	3.5%	3.5%		30,635	-	30,635	31,708	-	31,708	32,817	-	32,817
Sub-total Administration Expenses				167,251	-	167,251	173,104	-	173,104	179,163	-	179,163
Utilities												
Electricity	3.5%	3.5%		70,582	-	70,582	73,052	-	73,052	75,609	-	75,609
Water	3.5%	3.5%		23,548	-	23,548	24,372	-	24,372	25,225	-	25,225
Gas	3.5%	3.5%		59,398	-	59,398	61,477	-	61,477	63,628	-	63,628
Sewer	3.5%	3.5%		95,359	-	95,359	98,697	-	98,697	102,151	-	102,151
Sub-total Utilities				248,887	-	248,887	257,598	-	257,598	266,614	-	266,614
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		2,142	-	2,142	2,217	-	2,217	2,295	-	2,295
Payroll Taxes	3.5%	3.5%		52,396	-	52,396	54,230	-	54,230	56,128	-	56,128
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		5,419	-	5,419	5,609	-	5,609	5,805	-	5,805
Sub-total Taxes and Licenses				59,958	-	59,958	62,056	-	62,056	64,228	-	64,228
Insurance												
Property and Liability Insurance	3.5%	3.5%		186,909	-	186,909	193,451	-	193,451	200,222	-	200,222
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		20,958	-	20,958	21,692	-	21,692	22,451	-	22,451
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				207,868	-	207,868	215,143	-	215,143	222,673	-	222,673
Maintenance & Repair												
Payroll	3.5%	3.5%		215,800	-	215,800	223,353	-	223,353	231,171	-	231,171
Supplies	3.5%	3.5%		27,691	-	27,691	28,660	-	28,660	29,663	-	29,663
Contracts	3.5%	3.5%		91,323	-	91,323	94,519	-	94,519	97,827	-	97,827
Garbage and Trash Removal	3.5%	3.5%		38,050	-	38,050	39,382	-	39,382	40,760	-	40,760
Security Payroll/Contract	3.5%	3.5%		189,299	-	189,299	195,924	-	195,924	202,781	-	202,781
HVAC Repairs and Maintenance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		268	-	268	277	-	277	287	-	287
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				562,431	-	562,431	582,116	-	582,116	602,490	-	602,490
Supportive Services	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses						-			-			-
TOTAL OPERATING EXPENSES				1,666,836	-	1,666,836	1,725,176	-	1,725,176	1,785,557	-	1,785,557
PUPA (w/o Reserves/GL Base Rent/Bond Fees)						11,822						
Reserves/Ground Lease Base Rent/Bond Fees									Note: Hidden columns are in between total columns. To update			
Ground Lease Base Rent				1	-	1	1	-	1	1	-	1
Bond Monitoring Fee				2,500	-	2,500	2,500	-	2,500	2,500	-	2,500
Replacement Reserve Deposit				70,500	-	70,500	70,500	-	70,500	70,500	-	70,500
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				73,001	-	73,001	73,001	-	73,001	73,001	-	73,001
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				1,739,837	-	1,739,837	1,798,177	-	1,798,177	1,858,558	-	1,858,558
PUPA (w/ Reserves/GL Base Rent/Bond Fees)						12,339						
NET OPERATING INCOME (INCOME minus OP EXPENSES)				27,650	-	27,650	28,618	-	28,618	29,619	-	29,619
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)									Note: Hidden columns are in between total columns. To update			
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-
TOTAL HARD DEBT SERVICE				-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)				27,650	-	27,650	28,618	-	28,618	29,619	-	29,619
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				27,650	-	27,650	28,618	-	28,618	29,619	-	29,619
USES OF CASH FLOW BELOW (This row also shows DSCR.)			DSCR:									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL									Note: Hidden columns are in between total columns. To update			
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-	-	-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	22,650	-	22,650	23,443	-	23,443	24,263	-	24,263
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	5,000	-	5,000	5,175	-	5,175	5,356	-	5,356
Other Payments				-	-	-	-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-	-	-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-	-	-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-	-	-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				27,650	-	27,650	28,618	-	28,618	29,619	-	29,619
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	-	-	-	-	-	0	-	0
Does Project have a MOHCD Residual Receipt Obligation?		No										
Will Project Defer Developer Fee?		No										
Residual Receipts split for all years. - Lender/Owner		0% / 0%										
				Max Deferred Developer Fee Amt:								
		Dist. Soft Debt Loans		Cum. Deferred Developer Fee:		-			-			-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due		100.00%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		0.00%	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		0.00%				-			-			-
Lender 5 Residual Receipts Due		0.00%				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			-			0
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses						-						
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						-			70,500			141,000
Replacement Reserve Deposits						70,500			70,500			70,500
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest												
RR Running Balance						70,500			141,000			211,500
			RR Balance/Unit			$500			$1,000			$1,500
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						-			-			-
Operating Reserve Deposits						-			-			-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance						-			-			-
		OR Balance as a % of Prior Yr Op Exps + Debt Service							0.0%			0.0%
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance									-			-
Other Reserve 1 Deposits						-			-			-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance						-			-			-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance									-			-
Other Reserve 2 Deposits						-			-			-
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

Mission Bay South Block 9

	LOSP Units	Non-LOSP Units										
Total # Units: 141	***141***	***0***		Year 4			Year 5			Year 6		
	100.00%	*0.00%*		2024			2025			2026		
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Residential - Tenant Rents	1.0%	2.5%		*519,272*	-	519,272	*524,464*	-	524,464	*529,709*	-	529,709
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		*1,458,400*		1,458,400	*1,519,222*		1,519,222	*1,582,296*		1,582,296
Commercial Space	n/a	2.5%				-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				***1,977,672***	**-**	**1,977,672**	***2,043,686***	**-**	**2,043,686**	***2,112,005***	**-**	**2,112,005**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	*(25,964)*	-	(25,964)	*(26,223)*	-	(26,223)	*(26,485)*	-	(26,485)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				***1,951,708***	**-**	**1,951,708**	***2,017,463***	**-**	**2,017,463**	***2,085,519***	**-**	**2,085,519**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	*150,874*	-	150,874	*156,155*	-	156,155	*161,620*	-	161,620
Asset Management Fee	3.5%	3.5%	per MOHCD policy	*25,135*	-	25,135	*26,014*	-	26,014	*26,925*	-	26,925
Sub-total Management Expenses				***176,009***	**-**	**176,009**	***182,169***	**-**	**182,169**	***188,545***	**-**	**188,545**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		*27,151*	-	27,151	*28,102*	-	28,102	*29,085*	-	29,085
Manager's Salary	3.5%	3.5%		*131,756*	-	131,756	*136,367*	-	136,367	*141,140*	-	141,140
Health Insurance and Other Benefits	3.5%	3.5%		*131,236*	-	131,236	*135,829*	-	135,829	*140,583*	-	140,583
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				***290,144***	**-**	**290,144**	***300,299***	**-**	**300,299**	***310,809***	**-**	**310,809**
Administration												
Advertising and Marketing	3.5%	3.5%		*725*	-	725	*750*	-	750	*777*	-	777
Office Expenses	3.5%	3.5%		*72,458*	-	72,458	*74,994*	-	74,994	*77,619*	-	77,619
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		*17,831*	-	17,831	*18,455*	-	18,455	*19,101*	-	19,101
Audit Expense	3.5%	3.5%		*20,407*	-	20,407	*21,121*	-	21,121	*21,860*	-	21,860
Bookkeeping/Accounting Services	3.5%	3.5%		*17,695*	-	17,695	*18,314*	-	18,314	*18,955*	-	18,955
Bad Debts	3.5%	3.5%		*22,352*	-	22,352	*23,134*	-	23,134	*23,944*	-	23,944
Miscellaneous	3.5%	3.5%		*33,966*	-	33,966	*35,155*	-	35,155	*36,385*	-	36,385
Sub-total Administration Expenses				***185,434***	**-**	**185,434**	***191,924***	**-**	**191,924**	***198,641***	**-**	**198,641**
Utilities												
Electricity	3.5%	3.5%		*78,255*	-	78,255	*80,994*	-	80,994	*83,829*	-	83,829
Water	3.5%	3.5%		*26,108*	-	26,108	*27,021*	-	27,021	*27,967*	-	27,967
Gas	3.5%	3.5%		*65,855*	-	65,855	*68,160*	-	68,160	*70,546*	-	70,546
Sewer	3.5%	3.5%		*105,727*	-	105,727	*109,427*	-	109,427	*113,257*	-	113,257
Sub-total Utilities				***275,945***	**-**	**275,945**	***285,603***	**-**	**285,603**	***295,599***	**-**	**295,599**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		*2,375*	-	2,375	*2,459*	-	2,459	*2,545*	-	2,545
Payroll Taxes	3.5%	3.5%		*58,092*	-	58,092	*60,126*	-	60,126	*62,230*	-	62,230
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		*6,009*	-	6,009	*6,219*	-	6,219	*6,436*	-	6,436
Sub-total Taxes and Licenses				***66,476***	**-**	**66,476**	***68,803***	**-**	**68,803**	***71,211***	**-**	**71,211**
Insurance												
Property and Liability Insurance	3.5%	3.5%		*207,230*	-	207,230	*214,483*	-	214,483	*221,990*	-	221,990
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		*23,237*	-	23,237	*24,050*	-	24,050	*24,892*	-	24,892
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				***230,467***	**-**	**230,467**	***238,533***	**-**	**238,533**	***246,882***	**-**	**246,882**
Maintenance & Repair												
Payroll	3.5%	3.5%		*239,262*	-	239,262	*247,636*	-	247,636	*256,303*	-	256,303
Supplies	3.5%	3.5%		*30,702*	-	30,702	*31,776*	-	31,776	*32,888*	-	32,888
Contracts	3.5%	3.5%		*101,251*	-	101,251	*104,795*	-	104,795	*108,463*	-	108,463
Garbage and Trash Removal	3.5%	3.5%		*42,187*	-	42,187	*43,663*	-	43,663	*45,191*	-	45,191
Security Payroll/Contract	3.5%	3.5%		*209,879*	-	209,879	*217,225*	-	217,225	*224,827*	-	224,827
HVAC Repairs and Maintenance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		*297*	-	297	*307*	-	307	*318*	-	318
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				***623,577***	**-**	**623,577**	***645,402***	**-**	**645,402**	***667,991***	**-**	**667,991**
Supportive Services	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses						-			-			-
TOTAL OPERATING EXPENSES				***1,848,051***	**-**	**1,848,051**	***1,912,733***	**-**	**1,912,733**	***1,979,679***	**-**	**1,979,679**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees				*'delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.*								
Ground Lease Base Rent				*1*	-	1	*1*	-	1	*1*	-	1
Bond Monitoring Fee				*2,500*	-	2,500	*2,500*	-	2,500	*2,500*	-	2,500
Replacement Reserve Deposit				*70,500*	-	70,500	*70,500*	-	70,500	*70,500*	-	70,500
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***73,001***	**-**	**73,001**	***73,001***	**-**	**73,001**	***73,001***	**-**	**73,001**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				***1,921,052***	**-**	**1,921,052**	***1,985,734***	**-**	**1,985,734**	***2,052,680***	**-**	**2,052,680**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				***30,656***	**-**	**30,656**	***31,729***	**-**	**31,729**	***32,840***	**-**	**32,840**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)				*'delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.*								
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-
TOTAL HARD DEBT SERVICE				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CASH FLOW (NOI minus DEBT SERVICE)				***30,656***	**-**	**30,656**	***31,729***	**-**	**31,729**	***32,840***	**-**	**32,840**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				***30,656***	**-**	**30,656**	***31,729***	**-**	**31,729**	***32,840***	**-**	**32,840**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL				*'delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.*								
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	*25,112*	-	25,112	*25,991*	-	25,991	*26,901*	-	26,901
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	*5,544*	-	5,544	*5,738*	-	5,738	*5,938*	-	5,938
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				***30,656***	**-**	***30,656***	***31,729***	**-**	***31,729***	***32,840***	**-**	***32,840***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				0	-	**0**	(0)	-	**(0)**	0	-	**0**
Does Project have a MOHCD Residual Receipt Obligation?		***No***										
Will Project Defer Developer Fee?		***No***										
Residual Receipts split for all years. - Lender/Owner		*0% / 0%*										
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		*Dist. Soft Debt Loans*				-			-			-
MOHCD Residual Receipts Amount Due		*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						**-**			**-**			**-**
REMAINDER (Should be zero unless there are distributions below)						**0**			**-**			**0**
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses												
Final Balance (should be zero)						**-**			**-**			**-**
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						**211,500**			**282,000**			**352,500**
Replacement Reserve Deposits						**70,500**			**70,500**			**70,500**
Replacement Reserve Withdrawals (ideally tied to CNA)						**-**			**-**			**-**
Replacement Reserve Interest												
RR Running Balance						**282,000**			**352,500**			**423,000**
			RR Balance/Unit			*$2,000*			*$2,500*			*$3,000*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						**-**			**-**			**-**
Operating Reserve Deposits						**-**			**-**			**-**
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance						**-**			**-**			**-**
		OR Balance as a % of Prior Yr Op Exps + Debt Service				*0.0%*			*0.0%*			*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance						**-**			**-**			**-**
Other Reserve 1 Deposits						**-**			**-**			**-**
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance						**-**			**-**			**-**
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance						**-**			**-**			**-**
Other Reserve 2 Deposits						**-**			**-**			**-**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						**-**			**-**			**-**

Mission Bay South Block 9

		LOSP Units	Non-LOSP Units
Total # Units:	**141**	***141***	***0***
		100.00%	*0.00%*

INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 7 2027 LOSP	Year 7 2027 non-LOSP	Year 7 2027 Total	Year 8 2028 LOSP	Year 8 2028 non-LOSP	Year 8 2028 Total	Year 9 2029 LOSP	Year 9 2029 non-LOSP	Year 9 2029 Total
Residential - Tenant Rents	1.0%	2.5%		535,006	-	535,006	540,356	-	540,356	545,760	-	545,760
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,647,702		1,647,702	1,715,522		1,715,522	1,785,844		1,785,844
Commercial Space	n/a	2.5%				-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				**2,182,708**	**-**	**2,182,708**	**2,255,879**	**-**	**2,255,879**	**2,331,604**	**-**	**2,331,604**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(26,750)	-	(26,750)	(27,018)	-	(27,018)	(27,288)	-	(27,288)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				**2,155,957**	**-**	**2,155,957**	**2,228,861**	**-**	**2,228,861**	**2,304,316**	**-**	**2,304,316**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	167,277	-	167,277	173,132	-	173,132	179,191	-	179,191
Asset Management Fee	3.5%	3.5%	per MOHCD policy	27,867	-	27,867	28,843	-	28,843	29,852	-	29,852
Sub-total Management Expenses				**195,144**	**-**	**195,144**	**201,974**	**-**	**201,974**	**209,043**	**-**	**209,043**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		30,103	-	30,103	31,157	-	31,157	32,247	-	32,247
Manager's Salary	3.5%	3.5%		146,080	-	146,080	151,193	-	151,193	156,485	-	156,485
Health Insurance and Other Benefits	3.5%	3.5%		145,504	-	145,504	150,596	-	150,596	155,867	-	155,867
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				**321,687**	**-**	**321,687**	**332,946**	**-**	**332,946**	**344,600**	**-**	**344,600**
Administration												
Advertising and Marketing	3.5%	3.5%		804	-	804	832	-	832	861	-	861
Office Expenses	3.5%	3.5%		80,335	-	80,335	83,147	-	83,147	86,057	-	86,057
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		19,769	-	19,769	20,461	-	20,461	21,178	-	21,178
Audit Expense	3.5%	3.5%		22,625	-	22,625	23,417	-	23,417	24,237	-	24,237
Bookkeeping/Accounting Services	3.5%	3.5%		19,619	-	19,619	20,306	-	20,306	21,016	-	21,016
Bad Debts	3.5%	3.5%		24,782	-	24,782	25,649	-	25,649	26,547	-	26,547
Miscellaneous	3.5%	3.5%		37,659	-	37,659	38,977	-	38,977	40,341	-	40,341
Sub-total Administration Expenses				**205,594**	**-**	**205,594**	**212,789**	**-**	**212,789**	**220,237**	**-**	**220,237**
Utilities												
Electricity	3.5%	3.5%		86,763	-	86,763	89,800	-	89,800	92,943	-	92,943
Water	3.5%	3.5%		28,946	-	28,946	29,959	-	29,959	31,008	-	31,008
Gas	3.5%	3.5%		73,015	-	73,015	75,571	-	75,571	78,215	-	78,215
Sewer	3.5%	3.5%		117,221	-	117,221	121,324	-	121,324	125,570	-	125,570
Sub-total Utilities				**305,945**	**-**	**305,945**	**316,653**	**-**	**316,653**	**327,736**	**-**	**327,736**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		2,634	-	2,634	2,726	-	2,726	2,821	-	2,821
Payroll Taxes	3.5%	3.5%		64,408	-	64,408	66,662	-	66,662	68,995	-	68,995
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		6,662	-	6,662	6,895	-	6,895	7,136	-	7,136
Sub-total Taxes and Licenses				**73,703**	**-**	**73,703**	**76,283**	**-**	**76,283**	**78,953**	**-**	**78,953**
Insurance												
Property and Liability Insurance	3.5%	3.5%		229,759	-	229,759	237,801	-	237,801	246,124	-	246,124
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		25,763	-	25,763	26,665	-	26,665	27,598	-	27,598
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				**255,523**	**-**	**255,523**	**264,466**	**-**	**264,466**	**273,722**	**-**	**273,722**
Maintenance & Repair												
Payroll	3.5%	3.5%		265,274	-	265,274	274,558	-	274,558	284,168	-	284,168
Supplies	3.5%	3.5%		34,040	-	34,040	35,231	-	35,231	36,464	-	36,464
Contracts	3.5%	3.5%		112,259	-	112,259	116,188	-	116,188	120,255	-	120,255
Garbage and Trash Removal	3.5%	3.5%		46,773	-	46,773	48,410	-	48,410	50,104	-	50,104
Security Payroll/Contract	3.5%	3.5%		232,696	-	232,696	240,841	-	240,841	249,270	-	249,270
HVAC Repairs and Maintenance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		329	-	329	341	-	341	353	-	353
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				**691,371**	**-**	**691,371**	**715,569**	**-**	**715,569**	**740,614**	**-**	**740,614**
Supportive Services	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses						-			-			-
TOTAL OPERATING EXPENSES				**2,048,967**	**-**	**2,048,967**	**2,120,681**	**-**	**2,120,681**	**2,194,905**	**-**	**2,194,905**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				1	-	1	1	-	1	1	-	1
Bond Monitoring Fee				2,500	-	2,500	2,500	-	2,500	2,500	-	2,500
Replacement Reserve Deposit				70,500	-	70,500	70,500	-	70,500	70,500	-	70,500
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				**73,001**	**-**	**73,001**	**73,001**	**-**	**73,001**	**73,001**	**-**	**73,001**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				**2,121,968**	**-**	**2,121,968**	**2,193,682**	**-**	**2,193,682**	**2,267,906**	**-**	**2,267,906**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				**33,989**	**-**	**33,989**	**35,179**	**-**	**35,179**	**36,410**	**-**	**36,410**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-
TOTAL HARD DEBT SERVICE				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CASH FLOW (NOI minus DEBT SERVICE)				**33,989**	**-**	**33,989**	**35,179**	**-**	**35,179**	**36,410**	**-**	**36,410**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				**33,989**	**-**	**33,989**	**35,179**	**-**	**35,179**	**36,410**	**-**	**36,410**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	27,843	-	27,843	28,817	-	28,817	29,826	-	29,826
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	6,146	-	6,146	6,361	-	6,361	6,584	-	6,584
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				**33,989**	**-**	**33,989**	**35,179**	**-**	**35,179**	**36,410**	**-**	**36,410**
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				(0)	-	**(0)**	0	-	**0**	0	-	**0**

Does Project have a MOHCD Residual Receipt Obligation?	***No***	
Will Project Defer Developer Fee?	***No***	
Residual Receipts split for all years. - Lender/Owner	*0% / 0%*	

	Dist. Soft Debt Loans	Comments	Year 7 Total	Year 8 Total	Year 9 Total
MOHCD RESIDUAL RECEIPTS DEBT SERVICE			-	-	-
MOHCD Residual Receipts Amount Due	*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
HCD Residual Receipts Amount Due	*0.00%*	No HCD Financing	-	-	-
Lender 4 Residual Receipts Due	*0.00%*		-	-	-
Lender 5 Residual Receipts Due	*0.00%*		-	-	-
Total Non-MOHCD Residual Receipts Debt Service			**-**	**-**	**-**
REMAINDER (Should be zero unless there are distributions below)			**-**	**0**	**0**
Owner Distributions/Incentive Management Fee			-	-	-
Other Distributions/Uses					
Final Balance (should be zero)			**-**	**-**	**-**
REPLACEMENT RESERVE - RUNNING BALANCE					
Replacement Reserve Starting Balance			423,000	493,500	564,000
Replacement Reserve Deposits			70,500	70,500	70,500
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-
Replacement Reserve Interest					
RR Running Balance			**493,500**	**564,000**	**634,500**
		RR Balance/Unit	*$3,500*	*$4,000*	*$4,500*
OPERATING RESERVE - RUNNING BALANCE					
Operating Reserve Starting Balance			-	-	-
Operating Reserve Deposits			-	-	-
Operating Reserve Withdrawals					
Operating Reserve Interest					
OR Running Balance			**-**	**-**	**-**
		OR Balance as a % of Prior Yr Op Exps + Debt Service	*0.0%*	*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE					
Other Reserve 1 Starting Balance			-	-	-
Other Reserve 1 Deposits			-	-	-
Other Reserve 1 Withdrawals					
Other Reserve 1 Interest					
Other Required Reserve 1 Running Balance			**-**	**-**	**-**
OTHER RESERVE 2 - RUNNING BALANCE					
Other Reserve 2 Starting Balance			-	-	-
Other Reserve 2 Deposits			-	-	-
Other Reserve 2 Withdrawals					
Other Reserve 2 Interest					
Other Required Reserve 2 Running Balance			**-**	**-**	**-**

Mission Bay South Block 9

	LOSP Units	Non-LOSP Units										
Total # Units:												
141	**141**	**0**										
	100.00%	0.00%		**Year 10 2030**			**Year 11 2031**			**Year 12 2032**		
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	**LOSP**	**non-LOSP**	**Total**	**LOSP**	**non-LOSP**	**Total**	**LOSP**	**non-LOSP**	**Total**
Residential - Tenant Rents	1.0%	2.5%		551,217	-	551,217	556,730	-	556,730	562,297	-	562,297
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,858,755		1,858,755	1,934,348		1,934,348	2,012,718		2,012,718
Commercial Space	n/a	2.5%				-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				**2,409,973**	**-**	**2,409,973**	**2,491,078**	**-**	**2,491,078**	**2,575,015**	**-**	**2,575,015**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(27,561)	-	(27,561)	(27,836)	-	(27,836)	(28,115)	-	(28,115)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				**2,382,412**	**-**	**2,382,412**	**2,463,241**	**-**	**2,463,241**	**2,546,900**	**-**	**2,546,900**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	185,463	-	185,463	191,954	-	191,954	198,673	-	198,673
Asset Management Fee	3.5%	3.5%	per MOHCD policy	30,897	-	30,897	31,978	-	31,978	33,098	-	33,098
Sub-total Management Expenses				**216,360**	**-**	**216,360**	**223,933**	**-**	**223,933**	**231,770**	**-**	**231,770**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		33,376	-	33,376	34,544	-	34,544	35,753	-	35,753
Manager's Salary	3.5%	3.5%		161,962	-	161,962	167,630	-	167,630	173,497	-	173,497
Health Insurance and Other Benefits	3.5%	3.5%		161,323	-	161,323	166,969	-	166,969	172,813	-	172,813
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				**356,661**	**-**	**356,661**	**369,144**	**-**	**369,144**	**382,064**	**-**	**382,064**
Administration												
Advertising and Marketing	3.5%	3.5%		891	-	891	923	-	923	955	-	955
Office Expenses	3.5%	3.5%		89,069	-	89,069	92,187	-	92,187	95,413	-	95,413
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		21,919	-	21,919	22,686	-	22,686	23,480	-	23,480
Audit Expense	3.5%	3.5%		25,085	-	25,085	25,963	-	25,963	26,872	-	26,872
Bookkeeping/Accounting Services	3.5%	3.5%		21,752	-	21,752	22,513	-	22,513	23,301	-	23,301
Bad Debts	3.5%	3.5%		27,476	-	27,476	28,438	-	28,438	29,433	-	29,433
Miscellaneous	3.5%	3.5%		41,753	-	41,753	43,214	-	43,214	44,727	-	44,727
Sub-total Administration Expenses				**227,945**	**-**	**227,945**	**235,923**	**-**	**235,923**	**244,181**	**-**	**244,181**
Utilities												
Electricity	3.5%	3.5%		96,196	-	96,196	99,563	-	99,563	103,047	-	103,047
Water	3.5%	3.5%		32,093	-	32,093	33,216	-	33,216	34,379	-	34,379
Gas	3.5%	3.5%		80,953	-	80,953	83,786	-	83,786	86,719	-	86,719
Sewer	3.5%	3.5%		129,965	-	129,965	134,514	-	134,514	139,222	-	139,222
Sub-total Utilities				**339,207**	**-**	**339,207**	**351,079**	**-**	**351,079**	**363,367**	**-**	**363,367**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		2,920	-	2,920	3,022	-	3,022	3,128	-	3,128
Payroll Taxes	3.5%	3.5%		71,410	-	71,410	73,910	-	73,910	76,496	-	76,496
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		7,386	-	7,386	7,645	-	7,645	7,912	-	7,912
Sub-total Taxes and Licenses				**81,716**	**-**	**81,716**	**84,576**	**-**	**84,576**	**87,536**	**-**	**87,536**
Insurance												
Property and Liability Insurance	3.5%	3.5%		254,738	-	254,738	263,654	-	263,654	272,882	-	272,882
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		28,564	-	28,564	29,564	-	29,564	30,599	-	30,599
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				**283,303**	**-**	**283,303**	**293,218**	**-**	**293,218**	**303,481**	**-**	**303,481**
Maintenance & Repair												
Payroll	3.5%	3.5%		294,114	-	294,114	304,408	-	304,408	315,062	-	315,062
Supplies	3.5%	3.5%		37,740	-	37,740	39,061	-	39,061	40,428	-	40,428
Contracts	3.5%	3.5%		124,463	-	124,463	128,820	-	128,820	133,328	-	133,328
Garbage and Trash Removal	3.5%	3.5%		51,858	-	51,858	53,673	-	53,673	55,552	-	55,552
Security Payroll/Contract	3.5%	3.5%		257,995	-	257,995	267,024	-	267,024	276,370	-	276,370
HVAC Repairs and Maintenance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		365	-	365	378	-	378	391	-	391
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				**766,535**	**-**	**766,535**	**793,364**	**-**	**793,364**	**821,132**	**-**	**821,132**
Supportive Services	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses						-			-			-
TOTAL OPERATING EXPENSES				**2,271,727**	**-**	**2,271,727**	**2,351,237**	**-**	**2,351,237**	**2,433,531**	**-**	**2,433,531**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				1	-	1	1	-	1	1	-	1
Bond Monitoring Fee				2,500	-	2,500	2,500	-	2,500	2,500	-	2,500
Replacement Reserve Deposit				70,500	-	70,500	70,500	-	70,500	70,500	-	70,500
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				**73,001**	**-**	**73,001**	**73,001**	**-**	**73,001**	**73,001**	**-**	**73,001**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				**2,344,728**	**-**	**2,344,728**	**2,424,238**	**-**	**2,424,238**	**2,506,532**	**-**	**2,506,532**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				**37,684**	**-**	**37,684**	**39,003**	**-**	**39,003**	**40,368**	**-**	**40,368**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-
TOTAL HARD DEBT SERVICE				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CASH FLOW (NOI minus DEBT SERVICE)				**37,684**	**-**	**37,684**	**39,003**	**-**	**39,003**	**40,368**	**-**	**40,368**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				**37,684**	**-**	**37,684**	**39,003**	**-**	**39,003**	**40,368**	**-**	**40,368**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			*DSCR:*									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	30,870	-	30,870	31,950	-	31,950	33,068	-	33,068
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	6,814	-	6,814	7,053	-	7,053	7,300	-	7,300
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				**37,684**	**-**	**37,684**	**39,003**	**-**	**39,003**	**40,368**	**-**	**40,368**
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				(0)	-	**(0)**	0	-	**0**	(0)	-	**(0)**

Does Project have a MOHCD Residual Receipt Obligation?	**No**			
Will Project Defer Developer Fee?	**No**			
Residual Receipts split for all years. - Lender/Owner	*0% / 0%*			

	Dist. Soft Debt Loans		Year 10 Total	Year 11 Total	Year 12 Total
MOHCD RESIDUAL RECEIPTS DEBT SERVICE			-	-	-
MOHCD Residual Receipts Amount Due	*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
HCD Residual Receipts Amount Due	*0.00%*	No HCD Financing	-	-	-
Lender 4 Residual Receipts Due	*0.00%*		-	-	-
Lender 5 Residual Receipts Due	*0.00%*		-	-	-
Total Non-MOHCD Residual Receipts Debt Service			-	-	-
REMAINDER (Should be zero unless there are distributions below)			**-**	**0**	**-**
Owner Distributions/Incentive Management Fee			-	-	-
Other Distributions/Uses					
Final Balance (should be zero)			-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE					
Replacement Reserve Starting Balance			**634,500**	**705,000**	**775,500**
Replacement Reserve Deposits			**70,500**	**70,500**	**70,500**
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-
Replacement Reserve Interest					
RR Running Balance			**705,000**	**775,500**	**846,000**
		RR Balance/Unit	*$5,000*	*$5,500*	*$6,000*
OPERATING RESERVE - RUNNING BALANCE					
Operating Reserve Starting Balance			-	-	-
Operating Reserve Deposits			-	-	-
Operating Reserve Withdrawals					
Operating Reserve Interest					
OR Running Balance			-	-	-
		OR Balance as a % of Prior Yr Op Exps + Debt Service	*0.0%*	*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE					
Other Reserve 1 Starting Balance			-	-	-
Other Reserve 1 Deposits			-	-	-
Other Reserve 1 Withdrawals					
Other Reserve 1 Interest					
Other Required Reserve 1 Running Balance			-	-	-
OTHER RESERVE 2 - RUNNING BALANCE					
Other Reserve 2 Starting Balance			-	-	-
Other Reserve 2 Deposits			-	-	-
Other Reserve 2 Withdrawals					
Other Reserve 2 Interest					
Other Required Reserve 2 Running Balance			-	-	-

Mission Bay South Block 9

	LOSP Units	Non-LOSP Units										
Total # Units: 141	141	0		Year 13	2033		Year 14	2034		Year 15	2035	
	100.00%	0.00%										
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Residential - Tenant Rents	1.0%	2.5%		567,920	-	567,920	573,599	-	573,599	579,335	-	579,335
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		2,093,962		2,093,962	2,178,184		2,178,184	2,265,489		2,265,489
Commercial Space	n/a	2.5%				-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				***2,661,882***	**-**	**2,661,882**	***2,751,783***	**-**	**2,751,783**	***2,844,824***	**-**	**2,844,824**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(28,396)	-	(28,396)	(28,680)	-	(28,680)	(28,967)	-	(28,967)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				***2,633,486***	**-**	**2,633,486**	***2,723,103***	**-**	**2,723,103**	***2,815,857***	**-**	**2,815,857**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	205,626	-	205,626	212,823	-	212,823	220,272	-	220,272
Asset Management Fee	3.5%	3.5%	per MOHCD policy	34,256	-	34,256	35,455	-	35,455	36,696	-	36,696
Sub-total Management Expenses				***239,882***	**-**	**239,882**	***248,278***	**-**	**248,278**	***256,968***	**-**	**256,968**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		37,005	-	37,005	38,300	-	38,300	39,640	-	39,640
Manager's Salary	3.5%	3.5%		179,570	-	179,570	185,855	-	185,855	192,360	-	192,360
Health Insurance and Other Benefits	3.5%	3.5%		178,861	-	178,861	185,121	-	185,121	191,601	-	191,601
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				***395,436***	**-**	**395,436**	***409,276***	**-**	**409,276**	***423,601***	**-**	**423,601**
Administration												
Advertising and Marketing	3.5%	3.5%		988	-	988	1,023	-	1,023	1,059	-	1,059
Office Expenses	3.5%	3.5%		98,753	-	98,753	102,209	-	102,209	105,786	-	105,786
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		24,302	-	24,302	25,152	-	25,152	26,033	-	26,033
Audit Expense	3.5%	3.5%		27,812	-	27,812	28,786	-	28,786	29,793	-	29,793
Bookkeeping/Accounting Services	3.5%	3.5%		24,117	-	24,117	24,961	-	24,961	25,834	-	25,834
Bad Debts	3.5%	3.5%		30,463	-	30,463	31,529	-	31,529	32,633	-	32,633
Miscellaneous	3.5%	3.5%		46,292	-	46,292	47,913	-	47,913	49,589	-	49,589
Sub-total Administration Expenses				***252,727***	**-**	**252,727**	***261,572***	**-**	**261,572**	***270,728***	**-**	**270,728**
Utilities												
Electricity	3.5%	3.5%		106,654	-	106,654	110,387	-	110,387	114,251	-	114,251
Water	3.5%	3.5%		35,582	-	35,582	36,828	-	36,828	38,116	-	38,116
Gas	3.5%	3.5%		89,754	-	89,754	92,895	-	92,895	96,147	-	96,147
Sewer	3.5%	3.5%		144,095	-	144,095	149,138	-	149,138	154,358	-	154,358
Sub-total Utilities				***376,085***	**-**	**376,085**	***389,248***	**-**	**389,248**	***402,872***	**-**	**402,872**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		3,237	-	3,237	3,351	-	3,351	3,468	-	3,468
Payroll Taxes	3.5%	3.5%		79,174	-	79,174	81,945	-	81,945	84,813	-	84,813
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		8,189	-	8,189	8,476	-	8,476	8,772	-	8,772
Sub-total Taxes and Licenses				***90,600***	**-**	**90,600**	***93,771***	**-**	**93,771**	***97,053***	**-**	**97,053**
Insurance												
Property and Liability Insurance	3.5%	3.5%		282,433	-	282,433	292,318	-	292,318	302,549	-	302,549
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		31,670	-	31,670	32,778	-	32,778	33,925	-	33,925
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				***314,103***	**-**	**314,103**	***325,096***	**-**	**325,096**	***336,475***	**-**	**336,475**
Maintenance & Repair												
Payroll	3.5%	3.5%		326,089	-	326,089	337,502	-	337,502	349,315	-	349,315
Supplies	3.5%	3.5%		41,843	-	41,843	43,308	-	43,308	44,824	-	44,824
Contracts	3.5%	3.5%		137,995	-	137,995	142,825	-	142,825	147,824	-	147,824
Garbage and Trash Removal	3.5%	3.5%		57,496	-	57,496	59,508	-	59,508	61,591	-	61,591
Security Payroll/Contract	3.5%	3.5%		286,043	-	286,043	296,055	-	296,055	306,417	-	306,417
HVAC Repairs and Maintenance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		405	-	405	419	-	419	434	-	434
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				***849,871***	**-**	**849,871**	***879,617***	**-**	**879,617**	***910,403***	**-**	**910,403**
Supportive Services	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses						-			-			-
TOTAL OPERATING EXPENSES				***2,518,704***	**-**	**2,518,704**	***2,606,859***	**-**	**2,606,859**	***2,698,099***	**-**	**2,698,099**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				1	-	1	1	-	1	1	-	1
Bond Monitoring Fee				2,500	-	2,500	2,500	-	2,500	2,500	-	2,500
Replacement Reserve Deposit				70,500	-	70,500	70,500	-	70,500	70,500	-	70,500
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***73,001***	**-**	**73,001**	***73,001***	**-**	**73,001**	***73,001***	**-**	**73,001**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				***2,591,705***	**-**	**2,591,705**	***2,679,860***	**-**	**2,679,860**	***2,771,100***	**-**	**2,771,100**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				***41,781***	**-**	**41,781**	***43,243***	**-**	**43,243**	***44,757***	**-**	**44,757**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-
TOTAL HARD DEBT SERVICE				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CASH FLOW (NOI minus DEBT SERVICE)				***41,781***	**-**	**41,781**	***43,243***	**-**	**43,243**	***44,757***	**-**	**44,757**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				***41,781***	**-**	**41,781**	***43,243***	**-**	**43,243**	***44,757***	**-**	**44,757**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	34,226	-	34,226	35,424	-	35,424	36,663	-	36,663
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	7,555	-	7,555	7,820	-	7,820	8,093	-	8,093
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				***41,781***	**-**	***41,781***	***43,243***	**-**	***43,243***	***44,757***	**-**	***44,757***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				0	-	**0**	(0)	-	**(0)**	0	-	**0**
Does Project have a MOHCD Residual Receipt Obligation?		***No***										
Will Project Defer Developer Fee?		***No***										
Residual Receipts split for all years. - Lender/Owner		*0% / 0%*										

MOHCD RESIDUAL RECEIPTS DEBT SERVICE	*Dist. Soft Debt Loans*		Year 13 Total	Year 14 Total	Year 15 Total
			-	-	-
MOHCD Residual Receipts Amount Due	*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
HCD Residual Receipts Amount Due	*0.00%*	No HCD Financing	-	-	-
Lender 4 Residual Receipts Due	*0.00%*		-	-	-
Lender 5 Residual Receipts Due	*0.00%*		-	-	-
Total Non-MOHCD Residual Receipts Debt Service			**-**	**-**	**-**
REMAINDER (Should be zero unless there are distributions below)			**0**	**-**	**0**
Owner Distributions/Incentive Management Fee			-	-	-
Other Distributions/Uses					
Final Balance (should be zero)			**-**	**-**	**-**
REPLACEMENT RESERVE - RUNNING BALANCE					
Replacement Reserve Starting Balance			**846,000**	**916,500**	**987,000**
Replacement Reserve Deposits			**70,500**	**70,500**	**70,500**
Replacement Reserve Withdrawals (ideally tied to CNA)			**-**	**-**	**-**
Replacement Reserve Interest					
RR Running Balance			**916,500**	**987,000**	**1,057,500**
		RR Balance/Unit	*$6,500*	*$7,000*	*$7,500*
OPERATING RESERVE - RUNNING BALANCE					
Operating Reserve Starting Balance			**-**	**-**	**-**
Operating Reserve Deposits			**-**	**-**	**-**
Operating Reserve Withdrawals					
Operating Reserve Interest					
OR Running Balance			**-**	**-**	**-**
		OR Balance as a % of Prior Yr Op Exps + Debt Service	*0.0%*	*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE					
Other Reserve 1 Starting Balance			**-**	**-**	**-**
Other Reserve 1 Deposits			**-**	**-**	**-**
Other Reserve 1 Withdrawals					
Other Reserve 1 Interest					
Other Required Reserve 1 Running Balance			**-**	**-**	**-**
OTHER RESERVE 2 - RUNNING BALANCE					
Other Reserve 2 Starting Balance			**-**	**-**	**-**
Other Reserve 2 Deposits			**-**	**-**	**-**
Other Reserve 2 Withdrawals					
Other Reserve 2 Interest					
Other Required Reserve 2 Running Balance			**-**	**-**	**-**

Mission Bay South Block 9

	LOSP Units	Non-LOSP Units										
Total # Units:												
141	141	0										
	100.00%	0.00%		Year 16 2036			Year 17 2037			Year 18 2038		
INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Residential - Tenant Rents	1.0%	2.5%		585,128	-	585,128	590,980	-	590,980	596,889	-	596,889
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a		2,355,985		2,355,985	2,449,786		2,449,786	2,547,009		2,547,009
Commercial Space	n/a	2.5%				-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				2,941,113	-	2,941,113	3,040,766	-	3,040,766	3,143,899	-	3,143,899
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(29,256)	-	(29,256)	(29,549)	-	(29,549)	(29,844)	-	(29,844)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				2,911,857	-	2,911,857	3,011,217	-	3,011,217	3,114,054	-	3,114,054
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	227,981	-	227,981	235,961	-	235,961	244,219	-	244,219
Asset Management Fee	3.5%	3.5%	per MOHCD policy	37,980	-	37,980	39,309	-	39,309	40,685	-	40,685
Sub-total Management Expenses				265,962	-	265,962	275,270	-	275,270	284,905	-	284,905
Salaries/Benefits												
Office Salaries	3.5%	3.5%		41,028	-	41,028	42,464	-	42,464	43,950	-	43,950
Manager's Salary	3.5%	3.5%		199,092	-	199,092	206,061	-	206,061	213,273	-	213,273
Health Insurance and Other Benefits	3.5%	3.5%		198,307	-	198,307	205,248	-	205,248	212,431	-	212,431
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				438,427	-	438,427	453,772	-	453,772	469,654	-	469,654
Administration												
Advertising and Marketing	3.5%	3.5%		1,096	-	1,096	1,134	-	1,134	1,174	-	1,174
Office Expenses	3.5%	3.5%		109,489	-	109,489	113,321	-	113,321	117,287	-	117,287
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		26,944	-	26,944	27,887	-	27,887	28,863	-	28,863
Audit Expense	3.5%	3.5%		30,836	-	30,836	31,915	-	31,915	33,032	-	33,032
Bookkeeping/Accounting Services	3.5%	3.5%		26,739	-	26,739	27,674	-	27,674	28,643	-	28,643
Bad Debts	3.5%	3.5%		33,775	-	33,775	34,957	-	34,957	36,181	-	36,181
Miscellaneous	3.5%	3.5%		51,325	-	51,325	53,121	-	53,121	54,981	-	54,981
Sub-total Administration Expenses				280,203	-	280,203	290,010	-	290,010	300,160	-	300,160
Utilities												
Electricity	3.5%	3.5%		118,249	-	118,249	122,388	-	122,388	126,672	-	126,672
Water	3.5%	3.5%		39,451	-	39,451	40,831	-	40,831	42,260	-	42,260
Gas	3.5%	3.5%		99,512	-	99,512	102,995	-	102,995	106,600	-	106,600
Sewer	3.5%	3.5%		159,760	-	159,760	165,352	-	165,352	171,139	-	171,139
Sub-total Utilities				416,972	-	416,972	431,566	-	431,566	446,671	-	446,671
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		3,589	-	3,589	3,715	-	3,715	3,845	-	3,845
Payroll Taxes	3.5%	3.5%		87,781	-	87,781	90,854	-	90,854	94,034	-	94,034
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		9,079	-	9,079	9,397	-	9,397	9,726	-	9,726
Sub-total Taxes and Licenses				100,450	-	100,450	103,966	-	103,966	107,605	-	107,605
Insurance												
Property and Liability Insurance	3.5%	3.5%		313,139	-	313,139	324,098	-	324,098	335,442	-	335,442
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		35,113	-	35,113	36,342	-	36,342	37,613	-	37,613
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				348,251	-	348,251	360,440	-	360,440	373,055	-	373,055
Maintenance & Repair												
Payroll	3.5%	3.5%		361,541	-	361,541	374,195	-	374,195	387,292	-	387,292
Supplies	3.5%	3.5%		46,392	-	46,392	48,016	-	48,016	49,697	-	49,697
Contracts	3.5%	3.5%		152,997	-	152,997	158,352	-	158,352	163,895	-	163,895
Garbage and Trash Removal	3.5%	3.5%		63,747	-	63,747	65,978	-	65,978	68,287	-	68,287
Security Payroll/Contract	3.5%	3.5%		317,141	-	317,141	328,241	-	328,241	339,730	-	339,730
HVAC Repairs and Maintenance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		449	-	449	464	-	464	481	-	481
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				942,267	-	942,267	975,247	-	975,247	1,009,381	-	1,009,381
Supportive Services	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses						-			-			-
TOTAL OPERATING EXPENSES				2,792,532	-	2,792,532	2,890,271	-	2,890,271	2,991,430	-	2,991,430
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				1	-	1	1	-	1	1	-	1
Bond Monitoring Fee				2,500	-	2,500	2,500	-	2,500	2,500	-	2,500
Replacement Reserve Deposit				70,500	-	70,500	70,500	-	70,500	70,500	-	70,500
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				73,001	-	73,001	73,001	-	73,001	73,001	-	73,001
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				2,865,533	-	2,865,533	2,963,272	-	2,963,272	3,064,431	-	3,064,431
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				46,323	-	46,323	47,945	-	47,945	49,623	-	49,623
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-
TOTAL HARD DEBT SERVICE				-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)				46,323	-	46,323	47,945	-	47,945	49,623	-	49,623
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				46,323	-	46,323	47,945	-	47,945	49,623	-	49,623
USES OF CASH FLOW BELOW (This row also shows DSCR.)			DSCR:									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	37,947	-	37,947	39,275	-	39,275	40,649	-	40,649
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	3.5%		per MOHCD policy no annual increase	8,377	-	8,377	8,670	-	8,670	8,973	-	8,973
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				46,323	-	46,323	47,945	-	47,945	49,623	-	49,623
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				0	-	0	(0)	-	(0)	0	-	0
Does Project have a MOHCD Residual Receipt Obligation?		No										
Will Project Defer Developer Fee?		No										
Residual Receipts split for all years. - Lender/Owner		0% / 0%										

MOHCD RESIDUAL RECEIPTS DEBT SERVICE		Dist. Soft Debt Loans		Year 16 Total	Year 17 Total	Year 18 Total
MOHCD Residual Receipts Amount Due		100.00%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment				-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE						
HCD Residual Receipts Amount Due		0.00%	No HCD Financing	-	-	-
Lender 4 Residual Receipts Due		0.00%		-	-	-
Lender 5 Residual Receipts Due		0.00%		-	-	-
Total Non-MOHCD Residual Receipts Debt Service				-	-	-
REMAINDER (Should be zero unless there are distributions below)				0	-	0
Owner Distributions/Incentive Management Fee				-	-	-
Other Distributions/Uses						
Final Balance (should be zero)				-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE						
Replacement Reserve Starting Balance				1,057,500	1,128,000	1,198,500
Replacement Reserve Deposits				70,500	70,500	70,500
Replacement Reserve Withdrawals (ideally tied to CNA)				-	-	-
Replacement Reserve Interest						
RR Running Balance				1,128,000	1,198,500	1,269,000
			RR Balance/Unit	*$8,000*	*$8,500*	*$9,000*
OPERATING RESERVE - RUNNING BALANCE						
Operating Reserve Starting Balance				-	-	-
Operating Reserve Deposits				-	-	-
Operating Reserve Withdrawals						
Operating Reserve Interest						
OR Running Balance				-	-	-
			OR Balance as a % of Prior Yr Op Exps + Debt Service	*0.0%*	*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE						
Other Reserve 1 Starting Balance				-	-	-
Other Reserve 1 Deposits				-	-	-
Other Reserve 1 Withdrawals						
Other Reserve 1 Interest						
Other Required Reserve 1 Running Balance				-	-	-
OTHER RESERVE 2 - RUNNING BALANCE						
Other Reserve 2 Starting Balance				-	-	-
Other Reserve 2 Deposits				-	-	-
Other Reserve 2 Withdrawals						
Other Reserve 2 Interest						
Other Required Reserve 2 Running Balance				-	-	-

Mission Bay South Block 9

	LOSP Units	Non-LOSP Units							
Total # Units: 141	***141***	***0***			**Year 19**			**Year 20**	
	100.00%	*0.00%*			**2039**			**2040**	
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Residential - Tenant Rents	1.0%	2.5%		602,858	-	602,858	608,887	-	608,887
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		2,647,776		2,647,776	2,752,211		2,752,211
Commercial Space	n/a	2.5%				-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		-	-	-	-	-	-
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-	
Gross Potential Income				***3,250,634***	**-**	**3,250,634**	***3,361,098***	**-**	**3,361,098**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(30,143)	-	(30,143)	(30,444)	-	(30,444)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-
EFFECTIVE GROSS INCOME				***3,220,491***	**-**	**3,220,491**	***3,330,653***	**-**	**3,330,653**
OPERATING EXPENSES									
Management									
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	252,767	-	252,767	261,614	-	261,614
Asset Management Fee	3.5%	3.5%	per MOHCD policy	42,109	-	42,109	43,583	-	43,583
Sub-total Management Expenses				***294,876***	**-**	**294,876**	***305,197***	**-**	**305,197**
Salaries/Benefits									
Office Salaries	3.5%	3.5%		45,488	-	45,488	47,080	-	47,080
Manager's Salary	3.5%	3.5%		220,737	-	220,737	228,463	-	228,463
Health Insurance and Other Benefits	3.5%	3.5%		219,866	-	219,866	227,562	-	227,562
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-
Sub-total Salaries/Benefits				***486,092***	**-**	**486,092**	***503,105***	**-**	**503,105**
Administration									
Advertising and Marketing	3.5%	3.5%		1,215	-	1,215	1,257	-	1,257
Office Expenses	3.5%	3.5%		121,392	-	121,392	125,641	-	125,641
Office Rent	3.5%	3.5%		-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		29,873	-	29,873	30,919	-	30,919
Audit Expense	3.5%	3.5%		34,189	-	34,189	35,385	-	35,385
Bookkeeping/Accounting Services	3.5%	3.5%		29,646	-	29,646	30,683	-	30,683
Bad Debts	3.5%	3.5%		37,447	-	37,447	38,758	-	38,758
Miscellaneous	3.5%	3.5%		56,905	-	56,905	58,897	-	58,897
Sub-total Administration Expenses				***310,666***	**-**	**310,666**	***321,539***	**-**	**321,539**
Utilities									
Electricity	3.5%	3.5%		131,105	-	131,105	135,694	-	135,694
Water	3.5%	3.5%		43,740	-	43,740	45,270	-	45,270
Gas	3.5%	3.5%		110,331	-	110,331	114,192	-	114,192
Sewer	3.5%	3.5%		177,129	-	177,129	183,329	-	183,329
Sub-total Utilities				***462,304***	**-**	**462,304**	***478,485***	**-**	**478,485**
Taxes and Licenses									
Real Estate Taxes	3.5%	3.5%		3,980	-	3,980	4,119	-	4,119
Payroll Taxes	3.5%	3.5%		97,325	-	97,325	100,731	-	100,731
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		10,066	-	10,066	10,419	-	10,419
Sub-total Taxes and Licenses				***111,371***	**-**	**111,371**	***115,269***	**-**	**115,269**
Insurance									
Property and Liability Insurance	3.5%	3.5%		347,182	-	347,182	359,334	-	359,334
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		38,930	-	38,930	40,293	-	40,293
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-
Sub-total Insurance				***386,112***	**-**	**386,112**	***399,626***	**-**	**399,626**
Maintenance & Repair									
Payroll	3.5%	3.5%		400,847	-	400,847	414,877	-	414,877
Supplies	3.5%	3.5%		51,436	-	51,436	53,236	-	53,236
Contracts	3.5%	3.5%		169,631	-	169,631	175,568	-	175,568
Garbage and Trash Removal	3.5%	3.5%		70,677	-	70,677	73,151	-	73,151
Security Payroll/Contract	3.5%	3.5%		351,620	-	351,620	363,927	-	363,927
HVAC Repairs and Maintenance	3.5%	3.5%		-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		497	-	497	515	-	515
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				***1,044,709***	**-**	**1,044,709**	***1,081,274***	**-**	**1,081,274**
Supportive Services	3.5%	3.5%		-	-	-	-	-	-
Commercial Expenses						-			-
TOTAL OPERATING EXPENSES				***3,096,131***	**-**	**3,096,131**	***3,204,495***	**-**	**3,204,495**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)									
Reserves/Ground Lease Base Rent/Bond Fees									
Ground Lease Base Rent				1	-	1	1	-	1
Bond Monitoring Fee				2,500	-	2,500	2,500	-	2,500
Replacement Reserve Deposit				70,500	-	70,500	70,500	-	70,500
Operating Reserve Deposit				-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***73,001***	**-**	**73,001**	***73,001***	**-**	**73,001**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				***3,169,132***	**-**	**3,169,132**	***3,277,496***	**-**	**3,277,496**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)									
NET OPERATING INCOME (INCOME minus OP EXPENSES)				***51,360***	**-**	**51,360**	***53,157***	**-**	**53,157**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)									
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Commercial Hard Debt Service						-			-
TOTAL HARD DEBT SERVICE				**-**	**-**	**-**	**-**	**-**	**-**
CASH FLOW (NOI minus DEBT SERVICE)				***51,360***	**-**	**51,360**	***53,157***	**-**	**53,157**
Commercial Only Cash Flow						-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-	
AVAILABLE CASH FLOW				***51,360***	**-**	**51,360**	***53,157***	**-**	**53,157**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***						
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL									
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	42,072	-	42,072	43,545	-	43,545
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	9,287	-	9,287	9,613	-	9,613
Other Payments				-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				***51,360***	**-**	***51,360***	***53,157***	**-**	***53,157***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				0	-	**0**	0	-	**0**

Does Project have a MOHCD Residual Receipt Obligation?	***No***			
Will Project Defer Developer Fee?	***No***			
Residual Receipts split for all years. - Lender/Owner	*0% / 0%*			
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	*Dist. Soft Debt Loans*		**Year 19 Total**	**Year 20 Total**
MOHCD Residual Receipts Amount Due	*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE				
HCD Residual Receipts Amount Due	*0.00%*	No HCD Financing	-	-
Lender 4 Residual Receipts Due	*0.00%*		-	-
Lender 5 Residual Receipts Due	*0.00%*		-	-
Total Non-MOHCD Residual Receipts Debt Service			-	-
REMAINDER (Should be zero unless there are distributions below)			**0**	**0**
Owner Distributions/Incentive Management Fee			-	-
Other Distributions/Uses				
Final Balance (should be zero)			-	-
REPLACEMENT RESERVE - RUNNING BALANCE				
Replacement Reserve Starting Balance			**1,269,000**	**1,339,500**
Replacement Reserve Deposits			**70,500**	**70,500**
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-
Replacement Reserve Interest				
RR Running Balance			**1,339,500**	**1,410,000**
		RR Balance/Unit	*$9,500*	*$10,000*
OPERATING RESERVE - RUNNING BALANCE				
Operating Reserve Starting Balance			-	-
Operating Reserve Deposits			-	-
Operating Reserve Withdrawals				
Operating Reserve Interest				
OR Running Balance			-	-
		OR Balance as a % of Prior Yr Op Exps + Debt Service	*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE				
Other Reserve 1 Starting Balance			-	-
Other Reserve 1 Deposits			-	-
Other Reserve 1 Withdrawals				
Other Reserve 1 Interest				
Other Required Reserve 1 Running Balance			-	-
OTHER RESERVE 2 - RUNNING BALANCE				
Other Reserve 2 Starting Balance			-	-
Other Reserve 2 Deposits			-	-
Other Reserve 2 Withdrawals				
Other Reserve 2 Interest				
Other Required Reserve 2 Running Balance			-	-

Attachment D

- Completed Open Space
- Future Open Space
- Bike Share Station
- Bicycle Lane (striped or marked)
- Bicycle Route (shared travel lane)
- TMA Shuttle Caltrain Route
- TMA Shuttle Transbay Route
- TMA Shuttle Loop Route
- TMA Shuttle East Route
- TMA Shuttle West Route
- Project Location
- Muni T-Line
- Muni 55-Line
- Muni 78X/79X-Line

MISSION BAY BLOCK 9 TRANSIT

MARCH 2020

0 100 200 400 800

OCII
office of COMMUNITY INVESTMENT and INFRASTRUCTURE

Open Space

Block 9

MISSION BAY AMENITIES

JANUARY 2020

0 100 200 400 800

OCII
office of
COMMUNITY INVESTMENT and INFRASTRUCTURE

Attachment E

Mission Bay Block 9 SBE Utilization Summary, Professional Services
March 25, 2020

Fees	SBE Actual	Credit*	SBE - SF	MBE	WBE
$3,467,062.00	$1,012,665.00	$1,722,427.00	$1,643,277.00	$941,250.00	$221,747.00
	29.21%	49.68%	47.40%	27.15%	6.40%

- Associate Architect: YA Studio (with Lowney Architecture) (SF SBE, MBE)

  Y.A. studio is an African-American owned architectural design firm committed to bringing an innovative and modern approach to the field. Yakuh Askew, a San Francisco native, established the firm in 2004 with an eye towards socially responsible growth, environmental responsibility, and community. The firm embraces a diverse portfolio that includes custom single-family homes, affordable housing, large multi-family developments, restaurants, office and retail spaces. Y.A. studio is a certified MBE and LBE. OCII projects include Alice Griffith, Hunter Point Shipyard Block 10A, and Hunters Point Shipyard Block 48.

- Mechanical, Electrical, and Plumbing Engineer: A&S Engineers (with Fard) (MBE, LBE, WBE)

  Established in 2000, A&S Engineers provides full-service Mechanical, Electrical and Plumbing (MEP) consulting, engineering and Building Commissioning Services for clients across markets. Their portfolio includes healthcare, education, data centers, institutional, governmental, housing, and mixed-use facilities, encompassing a broad range of heating, ventilating, air conditioning, and plumbing designs and needs. A&S Engineers is a certified LBE, WBE, and MBE. This is their second OCII project, with prior experience on Uber Headquarters, Mission Bay Blocks 26-27.

- Geotechnical Engineer: Divis Consulting (with Langan) (SF SBE)

  Divis Consulting was formed in San Francisco in 2004 to provide project management, engineering, construction observation, and subsurface investigation services as both a subconsultant to geotechnical engineering firms and as a prime consultant to individuals and private/public entities. Divis Consulting's experience includes multi-family housing, mid to high-rise commercial, infrastructure, public facilities and medical facilities. Previous OCII projects include Mission Bay Block 1 and Transbay Block 8.

- Structural Engineer: Rivera Consulting Group (with KPFF) (SF SBE, MBE)

  The Rivera Consulting Group, Inc. (RCG) was formed in San Francisco in 1998 as a structural engineering design firm. RCG holds a business license from the City and County of San Francisco, CA (Certificate No. 324447), is a certified LBE/DBE with the City of San Francisco (Certification No. HRC120614544) and is a certified Small Business Enterprise, State of California. Past and current OCII projects include residential communities at Hunters View Blocks 7, 10 & 11 and Mission Bay Blocks 3E, 5 & 11.

- Landscape Architect: TS Studio (SF SBE, WBE)

  TS studio is a Landscape Architecture, Urban Design, and Strategic Planning firm. They prioritize thoughtful, creative design solutions that are responsive to their cultural and ecological context. TS Studio prides themselves on site-specific designs that recognize each project's unique character with the potential for adaptation and invention. TS Studio is a California based corporation and San Francisco based LBE and WBE. The firm's previous OCII projects include Transbay Block 8 and Candlestick Point North Block 10A.