DISBURSEMENT AGREEMENT
(OCII Low Moderate Income Housing Fund Balance
Taxable Bond Proceeds, Tax Increment Funds
Housing Development Impact Fees, RPTTF Funds)
(Hunters View)

THIS DISBURSEMENT AGREEMENT ("Agreement") is entered into as of January 7, 2014 ("Agreement Date"), by and among 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"), HV Partners 2, LP, a California limited partnership ("Borrower"), and Hunters View Associates, L.P., a California limited partnership ("Master Developer").

RECITALS

A. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code, section 35000 et seq. the “CRL”), the former San Francisco Redevelopment Agency ("Agency") would undertake programs for the reconstruction and construction of blighted areas in the City and County of San Francisco (the “City”).

B. In accordance with the CRL, the City, acting through its Board of Supervisors, approved a Redevelopment Plan for the Bayview Hunters Point Redevelopment Project Area (the “Project Area”) by Ordinance No. 113-06, adopted on May 16, 2006. In cooperation with the City, OCII is responsible for implementing the Bayview Hunters Point Redevelopment Plan (the “Redevelopment Plan”)

C. Under California State Assembly Bill No. 1X26 (Chapter 5, Statutes of 2011-12, first Extraordinary Session) ("AB 26"), as amended by California State Assembly Bill No. 1484 ("AB 1484") (together the “Dissolution Laws”) the Agency dissolved as a matter of law on February 1, 2012. On October 2, 2012 the San Francisco Board of Supervisors, acting as legislative body of OCII as the successor to the Agency, passed Ordinance 215-12, which outlined the rights and responsibilities of OCII as the Agency’s successor agency, including but not limited to certain retained existing enforceable obligations for the development of affordable housing. Accordingly, under Ordinance 215-12 and Dissolution Law, OCII has the obligation and authority to enter into this Agreement to allow for the development of the Project as defined in Recital D below.

D. The Hunters View site consists of an approximately 21 acre site formerly improved with 267 public housing units located in Area B of the Bayview Hunters Point Redevelopment Project Area, generally known as 227-229 West Point Road, Lots 1 through 17 inclusive and Lots A, B, C and D, all as shown on Final Map No. 5461, Assessor’s Lots 23 through 43 inclusive, Block 4624, which is owned and operated by the San Francisco Housing Authority (the “SFHA”) and known as the Hunters View Public Housing Development (the “Site”). Master Developer has entered into the Master Development Agreement (“MDA”) with SFHA, which provides for exclusive negotiations regarding the proposed transfer of the Site for the Project, and the parties currently anticipate that any such transfer would be partially effected...
from SFHA to Master Developer or its affiliates through one or more fee transfer(s) and partially effected pursuant to one or more long-term ground lease(s).

E. Master Developer is currently developing the Site through a three (3) or more phase process, by demolishing the existing public housing rental units located thereon and constructing up to 800 new mixed-income rental and affordable for-sale units, including replacement public housing rental units on a one-for-one basis (collectively, the "Project"). The first phase of the Project has been completed and includes one hundred seven (107) units, comprised of eighty (80) public housing units, twenty six (26) affordable rental and one (1) manager’s units.

F. On April 19, 2011, the Agency and Master Developer entered into that certain Phase II-III Rental Tax Increment Loan Agreement (the “Loan Agreement”) pursuant to which Agency agreed to provide up to $31,406,982 to Master Developer (the “Loan”) for predevelopment and construction activities for Phases II and III of the Project. At the time of the Loan Agreement, the development and financial structure of Phases II and III of the Project were still being determined. Accordingly, Agency and Master Developer acknowledged and agreed in the Loan Agreement that: (i) Master Developer would form single asset limited partnerships with subsidiary limited liability corporations to be wholly controlled by Master Developer and/or its general partners, to act as developers of the Phase II and Phase III Project sub phases; (ii) the Loan Agreement would be amended in the future to transfer portions of the Loan to Master Developer or its single asset limited partnerships for predevelopment and construction activities for the the Phase II and Phase III Project; and (iii) the future allocations of the Loan to Phase II and/or Phase III could be secured by a deed of trust against the developer’s real property interest in the Phase II or Phase III development. Agency and Master Developer agreed at the time that the future structure of such phases and the corresponding agreements would be mutually agreed upon.

G. Under Resolution No. 49-2013 (September 23, 2013) adopted by the Oversight Board of the City and County of San Francisco and approved by the Department of Finance, the expenditure of $21,775,225 of the Original Loan was confirmed to be an “Enforceable Obligation” under the Dissolution Law and approved as part of the Recognized Obligation Payment Schedule 13-14B. The California Department of Finance provided final approval of the expenditure of Item No. 177 through its letter dated December 17, 2013.

H. Master Developer now desires to begin construction activities for Phase IIA, which will be comprised of Phase IIA(1) (residential rental development and infrastructure related to residential development) and IIA(2) (open space). Phase IIA(1) will be located on Blocks 7 and 11 (see Site Plan attached hereto as Exhibit L) and will consist of approximately 107 units of family housing (the “Phase IIA(1) Project”), and requires Loan funds for Phase IIA(1) predevelopment and construction activities. Master Developer has created HV Partners 2, LP, the Borrower, as the entity to be the owner and ground lessee entity for Phase IIA(1).

I. In order to implement the enforceable obligations under the Loan Agreement as described in Recital F above, OCII, Borrower and Master Developer now desire to enter into this Agreement to disburse $21,775,220 of the Loan (the “Disbursement...
Amount") to Borrower for the Phase IIA(1) Project and to set forth the terms and conditions of such disbursement. In connection herewith, Borrower shall also execute a new promissory note for the Disbursement Amount.

J. On November 15, 2013 the Citywide Affordable Housing Loan Committee ("Loan Committee") approved the Disbursement Amount to the Borrower for the development of Phase II(A). The Disbursement Amount will include $18,297,533 for vertical development of the residential buildings and $3,477,687 for infrastructure expenses associated with Phase II(A).

K. On December 20, 2013, the Loan Committee approved the interest rate of 0.25% as provided in the Note, the Phase IIA(1) and Phase IIA(2) subphases, and portion of the Disbursement Amount to be available for disbursement prior to the Ground Lease Closing Date.

L. On January 7, 2014, the Commission on Community Investment and Infrastructure ("Commission") approved the Disbursement Agreement through Resolution No. 3-2014.

M. Borrower anticipates entering into a long term ground lease (the "Phase IIA(1) Ground Lease") for the portion of the Site on which Phase IIA(1) will be developed (the "Phase IIA(1) Site") by no later than August 31, 2014, at which time Borrower shall execute and record the Deed of Trust and Declaration of Restrictions (each as defined below). Prior to executing the Ground Lease, Borrower will obtain a legal description of the Phase IIA(1) Site prepared by a California-certified land surveyor (which may be shown on a recorded Final Map for the Phase IIA(1) Project), which shall fully describe the portion of the Site to be used for the construction of the Phase IIA(1) Project (the "Legal Description").

N. For purposes of implementation and to ensure consistency with the City’s overall affordable housing goals and priorities, MOHCD is providing project management, loan underwriting, construction monitoring and design review, including approving and processing loan disbursements in cooperation with OCII. Upon completion of the Project, OCII intends to transfer the Loan obligation and asset to MOHCD as the designated Successor Housing Agency of the City and County of San Francisco under Board Resolution 11-12, as required by Dissolution Law.
AGREEMENT

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

1. **Incorporation of Terms.** Except as otherwise provided below, all of the terms of the Loan Agreement (including but not limited to all exhibits) are hereby incorporated herein as if fully set forth in this Agreement. If the context requires, references to the “Project” in the Loan Agreement shall refer instead specifically to the Phase IIA(1) Project for the purposes of this Agreement. The specific terms and conditions provided in this Agreement below are only those necessary for the purpose of fulfilling OCII’s obligation under the Loan Agreement to disburse the Disbursement Amount. Capitalized terms not defined herein shall be as defined in the Loan Agreement. In the event of any conflict between the terms of the Loan Agreement and the provisions of this Agreement, this Agreement shall control.

2. **Definitions.** The definitions provided in the Recitals to this Agreement are hereby incorporated herein. In addition, as used in this Agreement, the following words and phrases have the following meanings:

   “Annual Operating Budget” means an annual operating budget for the Phase IIA(1) Project attached hereto as **Exhibit A-2**, which may not be adjusted without OCII’s prior written approval.

   “Assignment of Work Product” means the Assignment of Architects and Engineers Agreement, Plans and Specifications executed by Borrower granting OCII a security interest in the project architect’s and engineer’s agreements, plans and specifications (“Work Product”) to secure Borrower’s performance under this Agreement and the Note, in substantially the form and substance attached hereto as **Exhibit J**.

   "Borrower" means: HV Partners 2, LP, a California limited partnership, and its authorized successors and assigns.

   "Certificate of Completion" means the form issued by OCII upon or concurrently with completion of construction, that certifies OCII's determination that the Project was completed in compliance with the OCII Documents and all applicable laws.

   “Completion Date” shall mean March 1, 2017.

   "Declaration of Restrictions" means a recorded declaration of restrictions that (i) is in substantially the form and substance attached hereto as **Exhibit F**, (ii) requires Borrower and the Phase IIA(1) Project to comply with the use restrictions in this Agreement for the Compliance Term, even if the Disbursement Amount is repaid or otherwise satisfied, this Agreement terminates or the Deed of Trust is reconveyed, and (iii) has the Legal Description as Exhibit A thereto.

   "Deed of Trust" means the deed of trust executed by Borrower granting OCII a lien on Borrower’s interest in the Phase IIA Site and the Phase IIA Project to secure Borrower's
performance under this Agreement and the Note, in form substantially the form and substance attached hereto as Exhibit E and with the Legal Description attached as Exhibit A thereto.

"Developer General Partner Partnership Management Fee" means that certain fee in the initial amount of $25,000, increasing annually by 3% to be paid on an annual basis to the Developer General Partner as a Phase IIA(1) Project Expense.

"Expenditure Request" means a written request by Borrower for a Disbursement from the Funding Amount, which must certify that the Phase IIA(1) Project costs covered by the Expenditure Request have been paid or incurred by Borrower.

"Ground Lease Closing Date” means the date that the Phase IIA(1) Ground Lease is executed by Borrower and SFHA and recorded against the Phase IIA(1) Site.

"MOHCD” means the Mayor’s Office of Housing and Community Development.

"Note" means the promissory note executed by Borrower in favor of OCII in the original principal amount of the Disbursement Amount.

"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.

"Phase IIA(1) Project Expenses" means the following costs, which may be paid from Phase IIA(1) Project Income in the following order of priority to the extent of available Phase IIA(1) Project Income: (a) all charges incurred in the operation of the Phase IIA(1) Project for utilities, real estate taxes and assessments and premiums for insurance required under this Agreement or by other lenders providing secured financing for the Phase IIA(1) Project; (b) salaries, wages and any other compensation due and payable to the employees or agents of Borrower employed in connection with the Phase IIA(1) 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 senior financing secured by Borrower’s interest in the Phase IIA(1) Site and used to finance the Phase IIA(1) Project that has been approved by OCII; (d) all other expenses actually incurred to cover operating costs of the Phase IIA(1) Project, including maintenance and repairs and the fee of any managing agent as indicated in the Annual Operating Budget; (e) required deposits to the Replacement Reserve Account, Operating Reserve Account and any other reserve account required under this Agreement; (f) annual base rent payments under the Phase IIA(1) Ground Lease in an amount equal to $1.00, (g) the approved annual asset management fees indicated in the Annual Operating Budget and approved by the OCII, including, but not limited to, the Developer General Partner Partnership Management Fee; and (h) any extraordinary expenses approved in advance by the OCII (other than expenses paid from any reserve account). Phase IIA(1) Project Fees are not Phase IIA(1) Project Expenses.
"Phase IIA(1) Project Fees" means (i) an annual partnership management fee in the amount of $25,000, increasing by 3% annually, payable to the Borrower’s managing general partner, and (ii) deferred Developer Fees approved by OCII.

"Phase IIA(1) Project Income" means all income and receipts in any form received by Borrower from the operation of the Phase IIA(1) Project, including rents, fees, deposits (other than tenant security deposits), any accrued interest disbursed from any reserve account required under this Agreement for a purpose other than that for which the reserve account was established, reimbursements and other charges paid to Borrower in connection with the Phase IIA(1) Project. Interest accruing on any portion of the Disbursement Amount is not Phase IIA(1) Project Income.

"Schedule of Performance” means the schedule attached hereto as Exhibit G that sets forth Phase IIA(1) Project tasks and milestones and the dates by which they will be completed.

"Surplus Cash” means Phase IIA(1) Project Income remaining after payment of Phase IIA(1) Project Expenses and Phase IIA(1) Project Fees. The amount of Surplus Cash must be based on figures contained in audited financial statements.

"Table of Sources and Uses” means a table of sources and uses of funds attached hereto as Exhibit A-1, including a line item budget for the use of the Disbursement Amount, which table may not be adjusted without OCII’s prior written approval.

"Tenant" means any residential household in the Phase IIA(1) Project.

"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 Disbursement Amount and with the Legal Description used to describe the Phase IIA(1) Site, insuring the Deed of Trust and indicating the Declaration of Restrictions as valid liens on Borrower’s interest in the Phase IIA(1) Site, each subject only to the Permitted Exceptions.

3. Disbursement Amount; Use of Funds. OCII agrees to disburse to Borrower a maximum principal amount equal to the Disbursement Amount in order to finance predevelopment and development costs associated with the Phase IIA(1) Project. The Disbursement Amount will be disbursed according to the terms and subject to the conditions set forth in this Agreement. Borrower may use the Disbursement Amount solely for the purpose set forth in this Section 3 and agrees to use the Disbursement Amount solely for that purpose in accordance with the approved Table of Sources and Uses.

4. Repayment Terms.

(a) Term. Borrower must repay all amounts owing under this Agreement on the date that is the fifty seventh (57th) anniversary of the date the Deed of Trust is recorded in the
Recorder’s Office of San Francisco County (the "Maturity Date"), provided however that in the event the Phase IIA(1) Ground Lease has not been executed and recorded on or prior to August 31, 2014 (the "Acquisition Date"), the Maturity Date shall be the Acquisition Date. If the Note becomes due and payable on the Acquisition Date, and provided no Event of Default under any of the OCII Documents is then continuing, the Borrower may satisfy the Note in full by either (i) making payment in full; or (ii) delivering to OCII all of the following: (x) all of the Work Product, (y) an absolute and unconditional assignment to OCII of all of Borrower’s right, title and interest in and to the Work Product; 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 Borrower is able to obtain such consent using commercially reasonable efforts.

(b) **Interest Rate; Repayment.** The outstanding principal balance of the Disbursement Amount will bear simple interest at a rate of 0.25% per annum, as provided in the Note. Interest shall accrue, and repayment of principal and interest shall be paid from Surplus Cash in accordance with Section 4(d), below. Notwithstanding the foregoing, the outstanding principal balance and any accrued but unpaid interest of the Disbursement Amount will be due and payable on the Maturity Date.

(c) **Compliance Term; Declaration of Restrictions:** Borrower and its assigns must comply with all provisions of the OCII Documents relating to the use of the Phase IIA(1) Site and the Phase IIA(1) 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 of the San Francisco County, for the period commencing on the date a certificate of occupancy for the Phase IIA(1) Project is issued and ending on the fifty-fifth (55th) anniversary of that date (the “Compliance Term”) even if the Disbursement Amount is repaid or otherwise satisfied, or the Deed of Trust is reconveyed before that date.

(d) **Distribution of Surplus Cash.** Within one hundred twenty (120) days of the end of each fiscal year following the Completion Date, Borrower shall apply annual Phase IIA(1) Project Income to pay Phase IIA(1) Project Expenses and then to pay Phase IIA(1) Project Fees. Any cash remaining after payment of Phase IIA(1) Project Expenses and Phase IIA(1) Project Fees shall be deemed Surplus Cash. If the Borrower is found by OCII to be in compliance with all applicable requirements and agreements, Borrower shall use Surplus Cash to make the following payments

(i) One-third (1/3) of remaining Surplus Cash shall be paid to the Developer General Partner as an incentive management fee in an amount not to exceed Five Hundred Dollars ($500) per unit per year, up to a maximum of Fifty Three Thousand Five Hundred Dollars ($53,500) per year.

(ii) The remaining two-thirds (2/3) of Surplus Cash, shall be used first to make, if applicable, an annual Ground Lease payment. After paying the Ground Lease payment, any remaining Surplus Cash shall be applied to the SFHA, the City and, if applicable, the California Department of Housing and Community Development, on a pro rata basis mutually agreed upon by such lenders.
(e) **Repayment of California Tax Credit Allocation Committee Performance Deposit.** To the extent OCII funded the TCAC Performance Deposit, Borrower must repay the TCAC Performance Deposit to OCII upon receipt of said deposit by Borrower from TCAC, or use it to pay for eligible costs related to the Phase IIA(1) Project. Use of the TCAC Performance Deposit to pay for eligible costs must be approved by the OCII Executive Director. Borrower shall include the requirements related to the TCAC Performance Deposit in any tax credit limited partnership agreement.

5. **Conditions to Disbursements.**

(a) **Pre-Ground Lease Closing Date.** $1,700,000 of the Disbursement Amount is available for disbursement prior to the Ground Lease Closing Date, subject to Borrower’s satisfaction of the following conditions precedent:

(i) Borrower must have delivered to OCII fully executed originals of the following documents, in form and substance satisfactory to the OCII: (i) the Note; (ii) this Agreement (in triplicate); (iii) the Authorizing Resolutions; and (iv) any other OCII Documents reasonably requested by OCII.

(ii) Borrower must have delivered to OCII and MOHCD an Expenditure Request in form and substance satisfactory to OCII and MOHCD, 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.

(iii) 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.

(iv) Borrower must have delivered to OCII Borrower's Charter Documents.

(v) Borrower must have delivered to OCII insurance endorsements and, if requested by OCII, copies of policies for all insurance required under this Agreement.

(b) **Post-Ground Lease Closing Date.** OCII's obligation to approve any expenditure of the Disbursement Amount on or after the Ground Lease Closing Date is subject to Borrower’s satisfaction of the following conditions precedent:

(i) 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 the OCII: (i) the Deed of Trust; (ii) the Declaration of Restrictions; (iii) an opinion of Borrower’s counsel in form and substance reasonably acceptable to OCII, and (iv) any other OCII Documents reasonably requested by OCII.

(ii) Borrower will make its best efforts to obtain a complete services plan and budget for the Phase IIA(1) Project from the YMCA.
(iii) Borrower and SFHA must execute and record a Memorandum of the Ground Lease, using the Legal Description approved in advance by OCII.

(iv) OCII must have obtained the Title Policy.

(v) Borrower must have delivered to OCII and MOHCD an Expenditure Request in form and substance satisfactory to OCII and MOHCD, 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 “horizontal” budget and the “vertical” budget 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 Disbursement Amount in the aggregate may be made with the express written approval of OCII’s Executive Director or his/her designee; 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 Disbursement 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 MOHCD or OCII.

(vi) 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.

(vii) With respect to any Expenditure Request that covers rehabilitation or construction costs, Borrower must have certified to OCII that the Phase IIA(1) Project complies with the labor standards set forth in the Loan Agreement, if applicable.

6. **Schedule of Performance.** Borrower must perform in accordance with the Schedule of Performance (Exhibit G). 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.

7. **Commencement and Completion of Project.** Unless otherwise extended in writing by OCII, Borrower must: (a) commence construction of Phase IIA(1) infrastructure by August 31, 2014; (b) complete construction of Phase IIA(1) by March 1, 20127 (the "Completion Date"), in substantial 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; and (c) achieve occupancy of Ninety percent (10%) of the Units by October 1, 2017.

8. **Distributions.** Distributions of Surplus Cash shall be made in accordance with Section 4(d) above.

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9. **Developer Fee.** OCII has approved the payment of fees in an amount not to exceed One Million Two Hundred Thousand and No/100 Dollars ($1,200,000.00) to Developer for the predevelopment and construction periods of the Phase IIA(1) Project ("Developer Fees"), to be paid in accordance with the Developer Fee Schedule attached hereto as Exhibit I. Notwithstanding the forgoing, $700,000 of the Developer Fees (the "At-Risk Fee") shall be available to cover any development costs that exceed the Phase IIA(1) Project budget that OCII shall have approved. The amount of the At-Risk Fee that remains after payment of such development cost overruns shall be payable to the Borrower.

10. **Written Notice.** All notices required by this Agreement must be made in writing and may be communicated by personal delivery, facsimile (if followed within one (1) business day by first class mail) 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 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: HV Partners 2, LP  
    C/O The John Stewart Company  
    1388 Sutter Street, 11th Floor  
    San Francisco, CA 94109  
    Attn: President

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.

11. **Assignment by OCII.** OCII and Borrower hereby acknowledge and agree that, effective upon the date of issuance of the Certificate of Completion, all of OCII’s rights, interests and obligations under the OCII Documents shall be assigned to the City. No further instruments shall be necessary to effectuate this assignment, but if requested by MOHCD, OCII and Borrower 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 11. Upon assignment to the City, all references herein to OCII shall be deemed references to the City.
12. **Assignment by Master Developer.** The Parties hereby acknowledge and agree that pursuant to this Agreement, Master Developer has hereby assigned its rights and obligations to Borrower with respect to the Disbursement Amount, and as a result, Master Developer shall have no further obligations under this Agreement or the Loan Agreement with respect to the Disbursement Amount. Notwithstanding the forgoing, nothing contained herein shall release or limit Master Developer’s continuing obligations under the Loan Agreement with respect to all other terms provided therein.

13. **Subordination.** The Deed of Trust may be subordinated to other financing secured by and used for development of the Project (in each case, a "Senior Lien"), but only if the OCII Executive Director 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’s Executive Director and approval as to form by the City Attorney’s Office, the 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.

14. **Exhibits.** The following exhibits are attached to this Agreement and incorporated by reference:

**EXHIBITS**

A-1 Table of Sources and Uses of Funds  
A-2 Annual Operating Budget  
A-3 20-Year Cash Flow Proforma  
B  Form of Tenant Income Certification  
C  Lobbying/Debarment Certification Form  
D  Form of Annual Monitoring Report  
E  Form of Deed of Trust  
F  Form of Declaration of Restrictions  
G  Schedule of Performance  
H  OCII Monthly Project Update Form  
I  Developer Fee Schedule  
J  Assignment of Work Product  
K  Consent to Assignment of Work Product  
L  Site Plan  
M  Operational Rules for Certificate Holder Priority
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: Tiffany Bohen
Executive Director

**BORROWER:**
HV Partners 2, LP, a California limited partnership

By: JSCo Hunters View 2 LLC, a California limited liability company, its co-general partner

By: John Stewart Company, a California corporation, its managing member

By: Jack D. Gardner
President

**APPROVED AS TO FORM:**

DENNIS J. HERRERA
City Attorney

By: Evan A. Gross
Deputy City Attorney

By: HUNTERS POINT AFFORDABLE HOUSING, INC., a California nonprofit public benefit corporation, its managing general partner

By: Larry Hollingsworth
President

By: DEVINE & GONG, INC., a California corporation, its co-general partner

By: Richard J. Devine
President
MASTER DEVELOPER:

Hunters View Associates, L.P.,
a California limited partnership

By: JSCO HVA LLC, a California limited
liability company, its managing general
partner

By: John Stewart Company, a California
corporation, its managing member

By: [Signature]
Jack D. Gardner
President

By: HUNTERS POINT AFFORDABLE
HOUSING, INC., a California nonprofit
public benefit corporation, its co-general
partner

By: [Signature]
Larry Hollingsworth
President

By: HV MAFANIKIO LLC, a California limited
liability company, its co-general partner

By: Devine & Gong, Inc., a California
corporation, its managing member

By: [Signature]
Richard J. Devine
President
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: [Signature]
Tiffany Bohne
Executive Director

**BORROWER:**
HV Partners 2, LP, a California limited partnership

By: JSCo Hunters View 2 LLC, a California limited liability company, its co-general partner

By: John Stewart Company, a California corporation, its managing member

By: [Signature]
Jack D. Gardner
President

**APPROVED AS TO FORM:**

DENNIS J. HERRERA
City Attorney

By: [Signature]
Evan A. Gross
Deputy City Attorney

By: [Signature]
Larry Hoffingsworth
President

By: HUNTERS POINT AFFORDABLE HOUSING, INC., a California nonprofit public benefit corporation, its managing general partner

By: [Signature]
Richard J. Devine
President

By: DEVINE & GONG, INC., a California corporation, its co-general partner

By: [Signature]
MASTER DEVELOPER:

Hunters View Associates, L.P.,
a California limited partnership

By: JSCo HVA LLC, a California limited
liability company, its managing general
partner

By: John Stewart Company, a California
corporation, its managing member

By: ______________________
    Jack D. Gardner
    President

By: HUNTERS POINT AFFORDABLE
HOUSING, INC., a California nonprofit
public benefit corporation, its co-general
partner

By: ______________________
    Larry Hollingsworth
    President

By: HV MAFANIKIO LLC, a California limited
liability company, its co-general partner

By: Devine & Gong, Inc., a California
corporation, its managing member

By: ______________________
    Richard J. Devine
    President
IN WITNESS WHEREOF, the parties hereto have executed this Agreement at San Francisco, California as of the date first written above.

**OCI:**
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: [Signature]
Tiffany Bohée
Executive Director

**BORROWER:**
HV Partners 2, LP, a California limited partnership

By: JSCO Hunters View 2 LLC, a California limited liability company, its co-general partner

By: John Stewart Company, a California corporation, its managing member

By: [Signature]
Jack D. Gardner
President

**APPROVED AS TO FORM:**

**DENNIS J. HERRERA**
City Attorney

By: [Signature]
Evan A. Gross
Deputy City Attorney

**By:** HUNTERS POINT AFFORDABLE HOUSING, INC., a California nonprofit public benefit corporation, its managing general partner

By: [Signature]
Larry Hollingsworth
President

By: DEVINE & GONG, INC., a California corporation, its co-general partner

By: [Signature]
Richard J. Devine
President
MASTER DEVELOPER:

Hunters View Associates, L.P.,
a California limited partnership

By: JSCo HVA LLC, a California limited liability company, its managing general partner

By: John Stewart Company, a California corporation, its managing member

By: 

Jack D. Gardner
President

By: HUNTERS POINT AFFORDABLE HOUSING, INC., a California nonprofit public benefit corporation, its co-general partner

By: 

Larry Hollingsworth
President

By: HV MAFANI KIO LLC, a California limited liability company, its co-general partner

By: Devine & Gong, Inc., a California corporation, its managing member

By: 

Richard J. Devine
President