EXCLUSIVE NEGOTIATIONS AGREEMENT
Mission Bay South – 1300 4th Street (aka, Block 6E)
Mission Bay South Project Area

THIS EXCLUSIVE NEGOTIATIONS AGREEMENT (hereinafter “ENA” or “Agreement”) dated as of December 2, 2014, is 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 1300 Fourth Street Associates, L.P., a California Limited Partnership, whose general partner is 1300 Fourth Street GP LLC (the “Developer”).

THIS AGREEMENT IS MADE WITH REFERENCE TO THE FOLLOWING FACTS AND CIRCUMSTANCES:

1. 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 (“Agency”) undertook programs for the reconstruction and construction of blighted areas in the City and County of San Francisco (the “City”).

2. 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 (the “Project Area”) by Ordinance No. 335-98 adopted on November 2, 1998. The Redevelopment Plan is referred to as the “Mission Bay South Redevelopment Plan.” In cooperation with the City, the Agency was responsible for implementing the Mission Bay South Redevelopment Plan.

3. 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 and containing approximately 238 acres of land. The Mission Bay South Redevelopment Plan anticipates and describes a mixed-use development comprised of open space, retail, commercial, housing, , and parking and loading uses.

4. The Mission Bay South Owner Participation Agreement (the “OPA”) between the Agency and FOCIL-MB, LLC (the “Master Developer”) provides that the Master Developer will contribute land to the Agency, at no cost, for the development of affordable housing and the Agency will oversee the development of up to one thousand four hundred forty-five (1,445) affordable housing units in the Project Area.

5. 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”) and by subsequent legislation (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. On January 24, 2014, the California Department of Finance (“DOF”) determined finally and conclusively, under Section 34177.5(i) of the California Health and Safety Code, that the OPA and Mission Bay south Tax Increment Allocation Pledge Agreement (“Pledge Agreement”) are enforceable obligations. Both the OPA and Pledge Agreement require the production and funding 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 1300 4th Street (Block 6E) (the “Site”).

6. On May 21, 2014, OCII, in collaboration with the San Francisco Human Services Agency (“SF – HSA”) issued a Housing Development with Supportive Services Request for Proposals (the “RFP”) for applicants to develop, own and operate (including the provision of supportive services) up to 135 units of affordable rental housing, including twenty percent of units reserved for formerly homeless families, (the “Project”) at the Site. OCII staff made extensive outreach efforts to attract submittals from qualified developers by the July 16, 2014 deadline. The RFP set forth specific submission requirements to be met in order to be fully reviewed by OCII staff. The RFP also set forth that OCII would seek to enter into an exclusive negotiations agreement for development rights on the Site.

7. OCII received four submittals, however one submittal was disqualified for submitting an incomplete proposal. The other three submittals all met the minimum threshold requirements defined in the RFP. After interviewing all teams, a selection panel composed of Agency staff, a representative from SF - HSA, and a representative from the Mission Bay Citizens Advisory Committee, unanimously determined that the applicant team consisting of Tenderloin Neighborhood Development Center (“TNDC”), Mithun Solomon + Studio VARA, had the strongest submittal and was well-suited to develop the Site.

8. At its meeting on December 2, 2014, the OCII Commission authorized the OCII Executive Director to negotiate and execute this ENA with the Developer to enable the Developer to pursue predevelopment activities for the construction and management of the Project. The ENA will further define a series of milestones that will result in the execution of a long-term ground lease agreement for the Site between OCII and the Developer (“Ground Lease”) for consideration by the OCII Commission after a public hearing, as required by law.

ACCORDINGLY, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, OCII and the Developer agree as follows:

1. **Exclusive Right.**

   For the Exclusive Negotiations Period set forth in Section 2 below and subject to the terms and conditions of this Agreement, OCII and the Developer, acknowledging that time is of the essence, agree to negotiate diligently and in good faith with each other to enter into the Ground Lease providing for the ground lease of the Site to the Developer, sufficient to establish site control meeting the requirements of potential project lenders and the California Tax Credit Allocation Committee. OCII grants to the Developer the exclusive right to negotiate the Ground Lease (the **Exclusive Right**) during the exclusive negotiations period. OCII agrees not to solicit any other proposals or negotiate with any other developer with respect to the subject of the negotiations set forth herein.
The Developer and OCII acknowledge and agree that under this Agreement OCII is not committing itself or agreeing to enter into the Ground Lease or undertake any exchange or transfer of real property, any disposition of any real property interests to the Developer, approve any land use entitlements or undertake any other acts or activities relating to the subsequent independent exercise of discretion by OCII or any agency, commission or department of the City. This Agreement does not constitute the disposition of property or exercise of control by OCII or the City over property.

2. **Term.**

   (a) The term of the Agreement shall be from December 2, 2014 until April 30, 2016, unless extended pursuant to Section 4 below or terminated pursuant to subsection 2(b) below (“Exclusive Negotiations Period”).

   (b) This ENA shall terminate upon the occurrence of any of the following events: (i) the expiration of the Exclusive Negotiations Period (plus any approved extensions); (ii) Developer’s breach under the terms of the ENA unless such breach is cured within the period allowed or such default is expressly waived by OCII in its sole discretion; (iii) OCII’s execution of the Ground Lease approved by the OCII Commission.

   (c) Upon termination, neither party shall have any further rights or obligations except with respect to those matters that survive termination under Section 11.14.

3. **Negotiation Deposits; OCII/City Costs.**

   3.1 **Negotiation Deposits.**

   In connection with its selection by the OCII Commission as the Developer of the Site in response to the RFP, the Developer has paid to OCII the cash sum of One Thousand Dollars ($1,000) as an earnest money deposit (the “Deposit”). The Developer will pay to OCII an additional sum of Nine Thousand Dollars ($9,000) in cash (the “Additional Deposit”) at the time it executes the ENA. The Additional Deposit shall be combined with the Deposit to form the performance deposit (“Performance Deposit”). Except as provided in Sections 3.1(a) and 3.1(b), the Performance Deposit shall be held by OCII until completion of construction of the Project.

   (a) Subject to subsection 3.1(b) below, if the parties fail to reach agreement on the Ground Lease despite the Developer’s good faith negotiations or if the Ground Lease is not approved by the OCII Commission, executed and delivered as contemplated hereby for any reason outside of the Developer’s control, and, in either instance, the Developer is not in default under this Agreement, then upon termination of this Agreement, OCII shall within 30 days return the Performance Deposit (together with interest actually accrued thereon) to the Developer.

   (b) The parties agree that OCII’s actual damages for unreimbursed administrative expenses (exclusive of any transaction costs covered by Section 3.2 below), in the event of Developer’s default would be extremely difficult or impracticable to determine. The parties agree that, considering all the circumstances existing on the date of this Agreement, the amount of the Performance Deposit together with all accrued interest thereon as herein provided is a
reasonable estimate of the damages for unreimbursed administrative expenses that OCII would incur in such event.

3.2 **OCII Costs.**

Predevelopment Costs. The Developer has executed a predevelopment loan agreement (the “Predevelopment Loan Agreement”) with OCII and the proceeds of the Predevelopment Loan Agreement shall be used to pay or cause to be paid all predevelopment costs associated with the Project including applying for, obtaining and maintaining any necessary or appropriate entitlements for the development of the Site. OCII will endeavor to reimburse the Developer within thirty (30) days of Developer’s reimbursement request for all Project-related expenses approved by OCII pursuant to the Predevelopment Loan Agreement.

4. **Extension of Exclusive Negotiations Period.**

OCII’s Executive Director may extend the Exclusive Negotiations Period for two additional six month periods, beyond the initial term in his/her sole discretion to permit the completion of the negotiations, the completion of milestones under the Schedule of Performance, or to comply with statutory public notice requirements.

5. **Obligations of the Developer.**

5.1 **Schedule of Performance; Scope of Development.**

The negotiations conducted under this Agreement shall be based on the development opportunity described in the RFP, the Schedule of Performance attached as Attachment 2 hereto, and the Scope of Development attached as Attachment 3 hereto. The Schedule of Performance may be modified at the request of the Developer; however, any modification and reason for modification to the Schedule of Performance shall be at the sole discretion of the OCII Executive Director, so long as the modification does not exceed the extensions of Exclusive Negotiations Period and authorized under Section 4 above.

5.2 **Other Obligations of Developer.**

The Developer shall be required under this ENA, and the Ground Lease to comply with the requirements of all applicable City and OCII ordinances, resolutions, regulations or other regulatory approvals in all aspects (planning, design, construction, management and occupancy) of developing the Site, including, without limitation, the OCII’s Small Business Enterprise Program (including, but not limited to, the selection of consultants during the pre-development period), Labor Standards and Prevailing Wages Provisions, Minimum Compensation Policy, and Health Care Accountability Policy.

In addition, the Developer shall comply with the terms of the OPA, Design for Development, Mission Bay South Project Area and the Design Review and Document Approval Procedures and any amendments thereto. The Developer shall also be responsible for submitting a preliminary marketing plan in compliance with the City of San Francisco Human Services Agency (SF – HSA) and OCII requirements for the Project. At the request of OCII and/or the City and at the Developer’s sole expense, which funds may come from the Predevelopment Loan Agreement, the Developer shall prepare (or cause expert consultants approved by OCII to prepare) and submit all reports, studies or other information reasonably necessary to obtain regulatory approvals.
The Developer shall commit sufficient financial and personnel resources required to undertake and complete the development of the Project at the Site as a priority project and to fulfill the Developer’s obligations under this Agreement in an expeditious fashion.

5.3 Indemnity.

5.3.1 The Developer shall indemnify and defend OCII, the City and their respective commissioners, officers, agents and employees (individually or collectively, an "Indemnified Party") against any and all losses arising out of (a) any default by the Developer in the observance or performance of any of the Developer's obligations under the ENA (including, without limitation, those obligations set forth in Section 5.2 above), (b) any failure of any representation by the Developer to be correct in all material respects when made, (c) injury or death to persons or damage to property or other loss occurring on or in connection with the Site, caused by the gross negligence or any other act or omission of the Developer and its officers, agents and employees, (d) injury or death to persons or damage to property or other loss occurring on or in connection with the Site, or the Project, during the term of Developer’s Ground Lease of the Site, caused by negligent, faulty, inadequate or defective design of the Project, (e) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnified Party that relates to or arises out of negligent performance by the Developer under the ENA or the development of the Site by the Developer, or any transaction contemplated by, or the relationship between the Developer and OCII under the Agreement, (f) any failure of the Developer or its agents or contractors to comply with all applicable environmental requirements relating to the development of the Site, (g) 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, which 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 (f) above, provided that no Indemnified Party shall be entitled to indemnification under this Section for matters caused solely by such Indemnified Party’s negligence or willful misconduct. In the event any action or proceeding is brought against an Indemnified Party by reason of a claim arising out of any loss for which the Developer has indemnified the Indemnified Party, and upon written notice from such Indemnified Party, the Developer shall at its sole expense answer and otherwise defend such action or proceeding using counsel approved in writing by the Indemnified Party. The Indemnified Party shall 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 Indemnified Party in connection with the matters covered by this Agreement. The provisions of this paragraph shall survive the termination of this Agreement.

5.3.2 The Developer shall further indemnify the Indemnified Party against any release, spill or escape of Hazardous Materials (as defined below) on or about the Site caused by the Developer or its agents, contractors or representatives; except for losses resulting from the gross negligence or willful misconduct of any of the Indemnified Parties. For purposes hereof, “Hazardous Material” means any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes, without limitation, any material or substance defined as a “hazardous substance,” “pollutant” or “contaminant” under the Comprehensive Environmental Response,
Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Sections 9601 et seq.) or under Section 25281 or 25316 of the California Health & Safety Code; any “hazardous waste” as defined in Section 25117 or listed under Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Site, or are naturally occurring substances on, in or about the Site; and petroleum, including crude oil or any fraction, and natural gas or natural gas liquids.

5.3.3 The indemnity shall include, without limitation, the Developer's obligation to pay reasonable Attorney’s Fees and Costs (as defined in Section 11.7) and fees of consultants and experts, laboratory costs, and related costs, as well as the Indemnified Party’s costs of investigating any loss.

5.4 Insurance.

A. Developers’ Insurance

Without in any way limiting Developers’ indemnification obligations under this Agreement, and subject to reasonable approval by the Successor Agency of the insurers and policy forms, each Developer shall obtain and maintain, or cause to be obtained and maintained at no cost to the Successor Agency, the following insurance during the Term, unless otherwise provided in this Agreement:

B. Minimum Scope of Insurance. Coverage shall be at least as broad as:

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

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

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

(d) Professional Liability Insurance: Developer must require that all architects, engineers, and surveyors that it directly contracts with for the Project have liability insurance covering their negligent acts, errors and omissions. Developer must provide the Successor Agency with copies of consultants’ insurance certificates showing such coverage.

C. Minimum Limits of Insurance. Each of Lead Developer and Affordable Developer shall maintain limits no less than:

(a) General Liability: $5,000,000 limit per occurrence and $10,000,000 annual aggregate for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit must apply separately to this development or the general aggregate limit must be twice the required occurrence limit.

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

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

D. **Deductibles and Self-Insured Retentions**

Any deductibles or self-insured retentions over $50,000 must be declared to and reasonably approved by the Successor Agency. In the event such deductibles or self-insured retentions are in excess of $50,000, at the reasonably exercised option of the Successor Agency, either: (a) the insurer shall reduce such deductibles or self-insured retentions as respects the Successor Agency, the City and County of San Francisco, and their respective commissioners, members, officers, agents, and employees to $50,000 or less; or (b) the Developer shall procure a financial guarantee reasonably satisfactory to the Successor Agency guaranteeing payment of losses and related investigations, claim administration and defense expenses.

E. **Other Insurance Provisions**

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

(a) The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions: “The Successor Agency to the San Francisco Redevelopment Agency, and the City and County of San Francisco and their respective commissioners, members, officers, agents, and employees” (collectively, “Additional Insureds”) shall be named as additional insureds as respects: liability arising out of activities performed by or on behalf of the Developer; products and completed operations of the Developer, premises owned, occupied or used by the Developer; and automobiles owned, leased, hired or borrowed by or on behalf of the Developer in connection with the Project. The coverage shall contain no special limitations on the scope of protection afforded to the Additional Insureds.

(b) For any claims related to this Project, Developer’s insurance coverage must be primary insurance as respects to the Additional Insureds. Any insurance or self-insurance maintained by the Additional Insureds must be in excess of Developers’ insurance and will not contribute with it.

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

(d) Each insurance policy required by this clause must be endorsed to state that coverage will not be suspended, voided, canceled by either party, or reduced in coverage or in limits except after (30) thirty days prior written notice by certified mail, return receipt requested, has been given to the Successor Agency.

(e) Developer hereby grants to the Successor Agency a waiver of any right to subrogation which any insurer of said Contractor may acquire against the Agency by virtue of the payment of any loss under such insurance. Developer agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Agency has received a waiver of subrogation endorsement from the insurer.

(f) Developer’s insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.
(g) Workers’ Compensation and Employers Liability Coverage: The insurer shall agree to waive all rights of subrogation against the “Successor Agency to the San Francisco Redevelopment Agency, and the City and County of San Francisco and their respective commissioners, members, officers, agents, and employees” for losses arising from or in connection with the Project.

(h) If any of the required policies provide coverage on a claims-made basis: The retroactive date must be shown and must be before the date of the contract or the beginning of contract work.

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

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

F. Acceptability of Insurers

Insurance is to be placed with insurers with a current A. M. Best’s rating of no less than A:VII, unless otherwise approved by the Successor Agency.

G. Verification of Coverage

Each of Lead Developer and Affordable Developer must furnish the Successor Agency with respective certificates of insurance and additional endorsements effecting coverage required by this Section 12 prior to any commencement of work at the Site. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the Successor Agency before work commences. The Successor Agency reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

H. Design Professionals, Subcontractors and Consultants Insurance

Development Team’s architects, engineers and surveyors shall maintain professional liability insurance with minimum limits of $1,000,000 per claim and $2,000,000 in the annual aggregate covering all professional negligent acts, errors and omissions. Development Team shall cause its general contractor and all subcontractors and consultants to maintain workers compensation, automobile liability, and commercial general liability insurance in the amounts and in accordance with the requirements listed above, as applicable, unless otherwise approved by the Successor Agency’s Risk Manager. Development Team must furnish Agency with general contractor’s, architects’ and engineers’ certificates of insurance and original endorsements effecting coverage required by this paragraph H.

I. Review

The insurance coverage required under this Section shall be evaluated by the Successor Agency for adequacy if and when the Term of this Agreement is extended. The Successor Agency may require each of Lead Developer and Affordable Developer to respectively 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.
5.5 Force Majeure

The occurrence of any of the following events shall excuse performance of such obligations of Developer as are rendered impossible to perform while such event continues: acts of God; strikes; lockouts; labor disputes; inability to obtain labor, materials or reasonable substitutes therefor; governmental restrictions, regulations or controls; judicial orders; enemy or hostile governmental actions; civil commotions; fire or other casualty; nonperformance by OCII which prevents the performance of Developer; and other causes beyond the control of the Developer. The occurrence of such events shall excuse performance only in the event that the Developer has provided written notice to OCII within thirty (30) days after the occurrence or commencement of the event of force majeure and such excuse shall terminate thirty (30) days after the termination of the event giving rise to the delay. However, under no circumstances shall this force majeure provision apply to Developer’s indemnification and defense obligations under Section 5.3 and/or Developer’s insurance obligations under Section 5.4 above.

6. Obligations of OCII.

Subject to the provisions of Section 8, OCII agrees as follows:

(a) Subject to environmental review under the California Environmental Quality Act (“CEQA”) and the National Environmental Protection Act (“NEPA”), as applicable, the public review process and all required governmental approvals, as further provided in this Agreement, OCII shall use good faith efforts to diligently negotiate, prepare and submit for approval the Ground Lease.

(b) Subject to environmental review under CEQA and the NEPA as applicable, the public review process and all required governmental approvals, as further provided in this Agreement, OCII shall use good faith efforts to acquire fee title to the Site from Master Developer.

(c) OCII shall make available all public record studies and other documents in the Agency’s possession as necessary to perform the Developer’s due diligence investigations of the Site, provided that OCII makes no representations or warranties whatsoever regarding the completeness or accuracy of such information and the Developer must perform its own independent analysis.

(d) OCII shall reasonably cooperate with the Developer in obtaining access to the Site from the Master Developer for the purpose of performing tests, surveys and inspections, and obtaining data necessary or appropriate to negotiate the Ground Lease provided, however, the Developer shall give prior written notice to OCII of any such entry and shall, if OCII, and/or the City so requires, obtain a permit to enter from OCII and/or the City for such entry and comply with such insurance and indemnification requirements as OCII and/or the City may impose with respect to such inspections as contained in the permit to enter. In the case of invasive tests under any permit to enter granted by OCII and/or the City, OCII and/or the City may impose such insurance, indemnification, guaranty and other requirements as OCII and/or the City determines appropriate, in their
reasonable discretion as contained in the permit to enter. Subject to any required approval from Master Developer, OCII and/or the City shall provide the Developer with the same rights of access to the Site that OCII may have from time to time during the Exclusive Negotiations Period, subject to all applicable laws and regulations.

(e) OCII shall reasonably cooperate with the Developer in the provision of information and assistance in the filing, processing and obtaining of land use entitlements and regulatory approvals, and, to the extent required by law, join with the Developer as a co-applicant in the filing for such approvals, but neither OCII nor the City shall be required to satisfy any conditions for any approval, except as may be specifically agreed to by OCII, or the City, as applicable.

(f) In making any entry onto the Site, neither the Developer nor any of its agents, contractors or representatives shall interfere with or obstruct the permitted, lawful use of the Site by its tenants or occupants, if any, or the conduct of their business operations thereon.

7. **Non-Assignment.**

7.1 **Definitions.**

For purposes of this Section and where such initially capitalized terms are elsewhere used in this Agreement, the following term shall have the meaning given below:

“Significant Change” means any dissolution, merger, consolidation or other reorganization, or any issuance, sale, assignment, hypothecation or other transfer of legal or beneficial interests in the Developer.

7.2 **Non-Assignment.**

OCII and the Developer acknowledge and agree that OCII is entering into this Agreement and granting the Exclusive Right to the Developer on the basis of the particular experience, financial capacity, skills and capabilities of the Developer and its members. The Exclusive Right is personal to the Developer and is not assignable and no Significant Change may occur under any circumstance (whether by agreement or operation of law) without the prior written consent of OCII, which may be given, withheld or conditioned in OCII’s sole and absolute discretion.

8. **Default and Remedies.**

8.1 **Events of Default by the Developer.**

The occurrence of any of the following shall constitute an event of default on the part of the Developer after OCII gives notice of the default specifying in reasonable detail the basis for the determination of the default:

(a) Failure to pay any sums due under this Agreement within thirty (30) days after written notice by OCII.
(b) Failure perform or abide by any material provision of this Agreement, including a performance milestone contained in the ENA Schedule of Performance.

(c) Any material breach of any representation and warranty made by the Developer under Section 9 or any other provision of this Agreement.

(d) Any assignment, attempted assignment or Significant Change in violation of Section 7.2.

(e) Any filing of a petition to have the Developer adjudicated insolvent and unable to pay its debts as they mature or a petition for reorganization liquidation or arrangement under any bankruptcy or insolvency law, or any assignment for the benefit of creditors, or seeking appointment of a trustee, receiver, liquidator of the Developer or any substantial part of the Developer’s assets, if such petition is not dismissed within sixty (60) days.

(f) The debarment or prohibition of the Developer from doing business with any federal, state or local governmental agency, or any debarment or prohibition of any Affiliate of the Developer from doing business with any federal, state or local governmental agency to the extent such debarment or prohibition of the Affiliate could affect the redevelopment of the Site as contemplated hereby.

(g) Failure to procure or maintain any of the insurance coverage required hereunder so that there is a lapse in required coverage and such breach is not cured within two (2) days.

(h) The occurrence of an uncured default under the terms of the Predevelopment Loan Agreement.

8.2 Remedies of OCII.

(a) In the event of a default by the Developer, except as otherwise provided in this ENA, the Developer shall have thirty (30) days from the receipt of written notice from OCII to cure such default, or, if such default cannot reasonably be cured within such 30-day period, the Developer shall commence action to cure such failure within such 30-day period and diligently and continuously prosecutes such action to completion, but in any event no longer than 90 days from the receipt of written notice from OCII to cure such default.

(b) If, after the time provided in Section 8.2(a) above, Developer has not cured the default, OCII may exercise any or all of the following exclusive remedies available to it under this Agreement: (i) terminating the ENA, (ii) retaining the Performance Deposit; and/or (iii) exercising its rights under the Work Product security described below in Section 8.2 (c). If OCII chooses to terminate the ENA, OCII shall provide written notice to Developer of such termination, the ENA shall be terminated, and neither party shall have any rights against or liability to the other, except those provisions that are specified to survive such termination shall remain in full force and effect.

(c) Plans, Specifications, Reports and Studies. If OCII terminates this ENA, then subject to the proprietary rights of their authors and any confidentiality agreements and
privileges recognized by applicable law, the Developer shall deliver to OCII copies of any and all reports, studies, document lists and plans regarding the redevelopment of the Site in the Developer’s possession or prepared by or on behalf of the Developer (the Developer’s “Work Product”). The Developer shall deliver its Work Product within ten (10) days after written demand from OCII, which obligation shall survive the termination of this Agreement. OCII may use the Work Product for any purpose relating to the Site, provided that OCII shall release the Developer and the Developer’s contractor, architect, engineer and other consultants from any losses arising out of the OCII’s use of such documents except to the extent that OCII retains any of them and they agree to such continued liability. The Developer and OCII acknowledge that the Work Product also serves as security pursuant to the Predevelopment Loan Agreement and that the provisions of Sections 3.1 and 24.21 of the Predevelopment Loan Agreement shall govern the assignment of the Work Product to OCII.

8.3 Termination and Developer’s Risk.

The Developer acknowledges and agrees that, except as otherwise provided under the Predevelopment Loan Agreement, it is proceeding at its own risk and expense until such time as the Ground Lease is approved and without any assurance that the Ground Lease will be approved.


9.1 Representations and Warranties.

The Developer represents, warrants and covenants as follows:

(a) Valid Existence; Good Standing. 1300 Fourth Street Associates, L.P. is a California limited partnership duly organized and validly existing under the laws of the State of California. The Developer has all requisite power and authority to own its property and conduct its business as presently conducted. The Developer has made all filings and is in good standing in the jurisdiction of the State of California.

(b) Authority. The Developer has all requisite power and authority to execute and deliver this Agreement and the agreements contemplated by this Agreement and to carry out and perform all of the terms and covenants of this Agreement.

(c) No Limitation on Ability to Perform. Neither the Developer’s partnership agreement or any other agreement or law in any way prohibits, limits or otherwise affects the right or power of the Developer to enter into and perform all of the terms and covenants of this Agreement. The Developer is not a party to or bound by any contract, agreement, indenture, trust agreement, note, obligation or other instrument, which could prohibit, limit or otherwise affect the same. No consent, authorization or approval of, or other action by, and no notice to or filing with, any governmental authority, regulatory body or any other person or entity is required for the due execution, delivery and performance by the Developer of this Agreement or any of the terms and covenants contained in this Agreement. There are no pending or threatened suits or proceedings or undischarged judgments affecting the Developer before any court, governmental agency, or arbitrator which might materially adversely affect the enforceability of this Agreement, the ability of the Developer to perform the transactions contemplated by this Agreement or the business, operations, assets or condition of the Developer

(d) Valid Execution. The execution and delivery of this Agreement and the agreements contemplated hereby by the Developer have been duly and validly authorized by all
necessary action. This Agreement will be a legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms. The Developer has provided to OCII a written resolution of the Developer authorizing the execution of this Agreement and the agreements contemplated by this Agreement.

(e) **Defaults.** The execution, delivery and performance of this Agreement do not and will not violate or result in a violation of, contravene or conflict with, or constitute a default under (A) any agreement, document or instrument to which the Developer may be bound or affected, (B) any law, statute, ordinance, regulation, or (C) the partnership agreement of the Developer.

(f) **Meeting Financial Obligations; Material Adverse Change.** The Developer is meeting its current liabilities as they mature; no federal or state tax liens have been filed against it; and the Developer is not in default or claimed default under any agreement for borrowed money. The Developer shall immediately notify OCII of any material adverse change in the financial condition of the Developer that affect the Developer’s ability to complete the Project and such material adverse change shall constitute a default under this Agreement, subject to the cure and remedy provisions of Section 8.

(g) **Conflicts of Interest.** The Developer is familiar with conflict of interest requirements, including (i) Section 87100 et seq. of the California Government Code, which provides that no member, official or employee of OCII, may have any personal interest, direct or indirect, in this Agreement nor shall any such member, official or employee participate in any decision relating to this Agreement which affects her or his personal interest or the interests of any corporation, partnership or association in which she or he is interested directly or indirectly and (ii) OCII’s Personnel Policy, which prohibits former OCII employees and consultants from working on behalf of another party on a matter in which they have participated personally and substantially unless OCII consents to such scope of work. As to the provisions referred to in clause (i), the Developer does not know of any facts that constitute a violation of such provisions. As to the policy in clause (ii), the Developer has disclosed to OCII in writing any and all personnel or consultants covered by such policy as of the date of this Agreement, and concurrently herewith the OCII Commission has elected to waive or not to waive the conflict as to such specific personnel or consultants.

(h) **Skill and Capacity.** The Developer has the skill, resources and financial capacity to acquire, manage and fully redevelop the Site consistent with the development opportunity described in the RFP.

(i) **Consultants.** As of the date of this Agreement, the Developer has retained the following consultants in connection with the proposed redevelopment of the Site: Mithun Solomon + Studio VARA (planning and architecture), Community Economics, Inc. (financial consulting), Gubb & Barshay LLP (tax attorney), 826 Valencia (Out-of-School Time Services). The Developer shall promptly notify OCII of the termination of any consultant previously approved by OCII, and the Developer shall, to the extent required to fulfill its obligations under this Agreement, replace such consultant with a new consultant reasonably approved by OCII. In addition, the Developer shall promptly notify OCII of the addition of any new consultant associated with the Project. Nothing herein shall limit the provisions of subsection (g) above regarding conflicts of interest.
(j) **Not Prohibited from Doing Business.** The Developer (nor any Affiliates of any of the foregoing) have been debarred or otherwise prohibited from doing business with any local, state or federal governmental agency.

(k) **Business Licenses.** The Developer has obtained all licenses required to conduct its business in San Francisco and is not in default of any fees or taxes due to the City and County of San Francisco.

(l) **No Claims.** The Developer does not have any claim, and shall not make any claim, against OCII and the City, or either of them, or against the Site, or any present or future interest of the Agency or the City therein, directly or indirectly, by reason of: any aspect of the RFP or the developer selection process; any statements, representations, acts or omissions made by the OCII’s and/or City’s respective officers, commissioners, employees or agents with regard to the Site or any aspect of the negotiations under this Agreement; and the OCII’s exercise of discretion, decision and judgment in conformance with this Agreement.

9.2 **Continued Accuracy.**

If at any time during the Exclusive Negotiations Period any event or circumstance occurs that would render inaccurate or misleading any of the foregoing representations or warranties, the Developer shall immediately notify the Agency thereof. It will be an Event of Default if the Developer does not cure such inaccuracy within ten (10) days from the date on which the Developer was obligated to notify OCII and OCII shall have the rights and remedies provided in this Agreement, at equity and in law.

9.3 **Survival.**

The representations and warranties in this Section 9 shall survive any termination of this Agreement.

10. **Notices.**

A notice or communication under this Agreement by either party to the other shall be sufficiently given or delivered if dispatched by hand or by registered or certified mail, postage prepaid, addressed as follows:

(i) In the case of a notice or communication 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

(ii) And in the case of a notice or communication sent to the Developer:

1300 Fourth Street Associates, L.P.  
c/o TNDC  
215 Taylor Street  
San Francisco, CA 94102  
Attn: Executive Director
For the convenience of the parties, copies of notice may also be given by email.

Every notice given to a party hereto, pursuant to the terms of this Agreement, must state (or must be accompanied by a cover letter that states) substantially the following:

(a) the Section of this Agreement pursuant to which the notice is given and the action or response required, if any;

(b) if applicable, the period of time within which the recipient of the notice must respond thereto;

(c) if approval is being requested, shall be clearly marked “Request for Approval under Mission Bay South Project Area, Mission Bay South 1300 4th Street, Exclusive Negotiations Agreement”; and

(d) if a notice of a disapproval or an objection, which requires reasonableness, shall specify with particularity the reasons therefor.

Any mailing address or email address may be changed at any time by giving written notice of such change in the manner provided above at least ten (10) days prior to the effective date of the change. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal receipt actually occurs or, if mailed, on the delivery date or attempted delivery date shown on the return receipt.


11.1 Amendments.

This Agreement may be amended or modified only by a written instrument executed by the Agency and the Developer.

11.2 Severability.

If any provision of this Agreement, or its application to any person or circumstance, is held invalid by any court, the invalidity or inapplicability of such provision shall not affect any other provision of this Agreement or the application of such provision to any other person or circumstance, and the remaining portions of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as so modified by and in response to such invalidation would be unreasonable or grossly inequitable under all of the circumstances or would frustrate the fundamental purposes of this Agreement. Without limiting the foregoing, in the event that any applicable federal or state law prevents or precludes compliance with any material term of this Agreement, the parties shall promptly modify, amend or suspend this Agreement, or any portion of this Agreement, to the extent necessary to comply with such provisions in a manner which preserves to the greatest extent possible the benefits to each of the parties to this Agreement and to the Developer before such conflict with federal or state law. However, if such amendment, modification or suspension would deprive OCII or the Developer of the substantial benefits derived from this Agreement or make performance unreasonably difficult or expensive, then the affected party may terminate this Agreement upon written notice to the other party. In the event of such termination, neither party shall have any further rights or obligations under this Agreement except as otherwise provided herein.
11.3 **Non-Waiver.**

No waiver made by either party with respect to the performance, or manner or time of performance, or any obligation of the other party or any condition to its own obligation under this Agreement will be considered a waiver with respect to the particular obligation of the other party or condition to its own obligation beyond those expressly waived to the extent of such waiver, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of the other party.

11.4 **Non-Liability.**

No member, official, agent or employee of OCII or the City will be personally liable to the Developer, or any successor in interest (if and to the extent permitted under this Agreement), in an event of default by OCII or for any amount that may become due to the Developer or successor or on any obligations under the terms of this Agreement. No director, officer, agent or employee of the Developer will be personally liable to the Agency in an event of default by the Developer or for any amount that may become due to the Agency or on any obligations under the terms of this Agreement.

11.5 **Successors and Assigns; Third Party Beneficiary.**

This Agreement shall inure to the benefit of and bind the respective successors and assigns of OCII and the Developer, subject to the limitations on assignment by the Developer set forth in Section 7 above. The City is an intended third party beneficiary of this Agreement, provided that no approval of the City shall be required to amend this Agreement. Except as provided above with respect to the City, this Agreement is for the exclusive benefit of the parties hereto and not for the benefit of any other person and shall not be deemed to have conferred any rights, express or implied, upon any other person.

11.6 **Governing Law.**

This Agreement shall be governed by and construed in accordance with the laws of the State of California. As part of the consideration for OCII’s entering into this Agreement, the Developer agrees that all actions or proceedings arising directly or indirectly under this Agreement may, at the sole option of the Agency, be litigated in courts located within the County of San Francisco, State of California, and the Developer expressly consents to the jurisdiction of any such local, state or federal court, and consents that any service of process in such action or proceeding may be made by personal service upon the Developer wherever the Developer may then be located, or by certified or registered mail directed to the Developer at the address set forth in this Agreement.

11.7 **Attorneys’ Fees and Costs.**

If either party fails to perform any of its respective obligations under this Agreement or if any dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party on account of such default or in enforcing or establishing its rights under this Agreement, including, without limitation, court costs and reasonable Attorneys’ Fees and Costs (as defined below). Any such Attorneys’ Fees and Costs incurred by either party in enforcing a judgment in its favor under this Agreement shall be recoverable separately from and in addition to any other amount included in such judgment, and such Attorneys’ Fees and Costs obligation is intended to be
several from the other provisions of this Agreement and to survive and not be merged into any such judgment. For purposes of this Agreement, the reasonable fees of attorneys from the City Attorney’s office shall 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 office 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. “Attorneys’ Fees and Costs” means any and all attorneys’ fees, costs, expenses and disbursements, including, but not limited to, expert witness fees and costs, travel time and associated costs, transcript preparation fees and costs, document copying, attachment preparation, courier, postage, facsimile, long-distance and communications expenses, court costs and the costs and fees associated with any other legal, administrative or alternative dispute resolution proceeding, fees and costs associated with execution upon any judgment or order, and costs on appeal.

11.8 Interpretation of Agreement.

(a) Attachments. Whenever an “Attachment” is referenced, it means an attachment to this Agreement unless otherwise specifically identified. All such Attachments are incorporated herein by reference.

(b) Captions. Whenever a section, article or paragraph is referenced, it refers to this Agreement unless otherwise specifically identified. The captions preceding the articles and sections of this Agreement have been inserted for convenience of reference only. Such captions shall not define or limit the scope or intent of any provision of this Agreement.

(c) Words of Inclusion. The use of the term “including,” “such as” or words of similar import when following any general term, statement or matter shall not be construed to limit such term, statement or matter to the specific items or matters, whether or not language of non-limitation is used with reference thereto. Rather, such terms shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter.

(d) References. Wherever reference is made to any provision, term or matter “in this Agreement,” “herein” or “hereof” or words of similar import, the reference shall be deemed to refer to any and all provisions of this Agreement reasonably related thereto in the context of such reference, unless such reference refers solely to a specific numbered or lettered, section or paragraph of this Agreement or any specific subdivision thereof.

(e) Recitals. In the event of any conflict or inconsistency between the recitals and any of the remaining provisions of this Agreement, the remaining provisions of this Agreement shall prevail.

(f) No Presumption Against Drafter. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purposes of the parties and this Agreement.

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11.9 **Entire Agreement.**

This Agreement, including the Attachments, contains all the representations and the entire agreement between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, agreements, warranties or representations relating to such subject matter are superseded in total by this Agreement. No prior drafts of this Agreement or changes from those drafts to the executed version of this Agreement shall be introduced as evidence in any litigation or other dispute resolution proceeding by either party or any other person and no court or other body shall consider those drafts in interpreting this Agreement.

11.10 **Time for Performance.**

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

(b) **Weekends and Holidays.** A performance date, which falls on a Saturday, Sunday, or City holiday is deemed extended to the next working day.

(c) **Days for Performance.** All periods for performance specified in this Agreement in terms of days shall be calendar days, and not business days, unless otherwise expressly provided in this Agreement.

(d) **Time of the Essence.** Time is of the essence with respect to each provision of this Agreement, including, without limitation, each milestone set forth in the attached Schedule of Performance.

11.11 **Counterparts.**

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

11.12 **Approvals and Consents.**

Unless this Agreement otherwise expressly provides, all approvals, consents or determinations to be made by or on behalf of (i) OCII under this Agreement shall be made by the OCII’s Executive Director or her designee and (ii) the Developer under this Agreement shall be made by the Executive Director of Turk Street, Inc. (the “Developer Representative”) or such other employee or agent of the Developer as the Developer may designate to act as the Developer Representative for a particular matter. Unless otherwise herein provided, whenever approval, consent or satisfaction is required of a party pursuant to this Agreement, it shall not be unreasonably withheld or delayed. The reasons for disapproval shall be stated in reasonable detail in writing. Approval by the Developer or the Agency to or of any act or request by the other shall not be deemed to waive or render unnecessary approval to or of any similar or subsequent acts or requests.

11.13 **Real Estate Commissions.**

The Developer and OCII each represents to the other that it engaged no broker, agent or finder in connection with this Agreement or the transactions contemplated hereby. In the event any broker, agent or finder makes a claim, the party through whom such claim is made agrees to indemnify the other party from any Losses arising out of such claim.

11.14 **Survival.**
Notwithstanding anything to the contrary in this Agreement, any indemnity or other obligation that arises and was not satisfied before termination shall survive any termination of this Agreement, except to the extent otherwise provided herein. In the event of any termination of this Agreement (other than a termination due to a default by OCII), the Developer shall furnish copies of plans, specifications, studies and reports to OCII as provided in Section 8.2(c).

11.15 **Nondiscrimination and Small Business Enterprise Policy.**

(a) 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 this Agreement. The Developer 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). 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 to clients or the general public.

(b) The Developer will, in all solicitations or advertisements for employees placed by it or on its behalf, state it is an equal opportunity employer.

(c) The Developer will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

(d) If the Developer intends to utilize subcontractors in the provision of services under this Agreement, it must consult with OCII’s Contract Compliance Division and comply with all the applicable provisions of OCII’s Purchasing Policy and Procedures in regard to subcontracting pursuant to the Small Business Enterprise Policy.

(e) The Developer agrees not to discriminate in the provision of benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, and shall comply fully with all provisions of the OCII’s Nondiscrimination in Contracts Policy (“Policy”), adopted by Resolution No. 175-97, as such Policy may be amended from time to time.

(f) The Developer shall provide all services to the public under this Contract in facilities that are accessible to persons with disabilities as required by state and federal law.

11.16 **Compliance With Minimum Compensation Policy And Health Care Accountability Policy.**

The Developer agrees, as of the date of this Contract and during the term of this Contract, to comply with the provisions of OCII’s Minimum Compensation Policy and Health Care Accountability Policy (the “Policies”), adopted by 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 and County of San Francisco’s Department of Public Health, or to participate in a health benefits program developed by the City and County of San Francisco’s Director of Health.

11.17 Relationship of the Parties.

The subject of this Agreement is a private development with neither party acting as the agent of the other party in any respect. None of the provisions in this Agreement shall be deemed to render OCII a partner in the Developer’s business, or joint venturer or member in any joint enterprise with the Developer.

11.18 Cooperation.

In connection with this Agreement, the Developer and OCII shall reasonably cooperate with one another to achieve the objectives and purposes of this Agreement. In so doing, the Developer and OCII shall each refrain from doing anything that would render its performance under this Agreement impossible and each shall do everything that this Agreement contemplates that the Party shall do to accomplish the objectives and purposes of this Agreement.
IN WITNESS WHEREOF, OCII and the Developer have duly executed and delivered this Agreement as of the date first written above.

OCII, as Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, organized and existing under the laws of the State of California:

By: ___________________________
Tiffany Bohee
Executive Director

BORROWER:
1300 4th Street, L.P., a California limited partnership

By: 1300 Fourth Street GP LLC., a California limited liability company, its General partner

By: Turk Street, Inc., a California nonprofit public benefit corporation, its sole member/manger

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: ___________________________

Evan Gross
Deputy City Attorney

Authorized by OCII Resolution No. _____-2014, adopted ________________, 2014
EXCLUSIVE NEGOTIATIONS AGREEMENT

LIST OF ATTACHMENTS

<table>
<thead>
<tr>
<th>ATTACHMENT</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATTACHMENT 1</td>
<td>Site Description</td>
</tr>
<tr>
<td>ATTACHMENT 2</td>
<td>ENA Schedule of Performance</td>
</tr>
<tr>
<td>ATTACHMENT 3</td>
<td>ENA Scope of Development</td>
</tr>
</tbody>
</table>
Site Description

[Have requested a legal description from Catherine.]
## ATTACHMENT 2

**ENA Schedule of Performance**

<table>
<thead>
<tr>
<th>No.</th>
<th>Task</th>
<th>Deadline</th>
</tr>
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<tbody>
<tr>
<td>1.</td>
<td><strong>Submit design concept drawings acceptable to OCII</strong> as</td>
<td>3.15.15</td>
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<tr>
<td></td>
<td>described in Attachment 3.</td>
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<tr>
<td>2.</td>
<td><strong>Submit a preliminary financing plan acceptable to the</strong></td>
<td>3.15.15</td>
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<tr>
<td></td>
<td><strong>OCII.</strong></td>
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<tr>
<td>3.</td>
<td><strong>Submit schematic design drawings acceptable to the</strong></td>
<td>3.15.15</td>
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<td></td>
<td><strong>OCII.</strong></td>
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<td></td>
<td>The submission shall include the items specified in</td>
<td></td>
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<tr>
<td></td>
<td>Attachment 3.</td>
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<tr>
<td>4.</td>
<td><strong>Identify a general contractor and obtain a cost estimate</strong></td>
<td>7.9.15</td>
</tr>
<tr>
<td></td>
<td><strong>based on the schematic design acceptable to the OCII.</strong></td>
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<tr>
<td>5.</td>
<td><strong>Submit design development documents and cost estimates.</strong></td>
<td>10.28.15</td>
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<td></td>
<td>The submission shall include the items specified in</td>
<td></td>
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<tr>
<td></td>
<td>Attachment 3.</td>
<td></td>
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<tr>
<td>6.</td>
<td><strong>Execution of Ground Lease Agreement.</strong></td>
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</tbody>
</table>
The development will include construction of up to 135 units of family rental housing for very low- and low-income families, including 20% of units serving formerly homeless families referred by HSA. Units will be affordable to households earning up to a maximum of 50% area median income (as defined by MOHCD). The Project units will include an equal mix of one, two and three bedroom units. Unit sizes will be approximately:

- 575 to 625 square feet for one-bedroom/one-bathroom units
- 850 to 925 square feet for two-bedroom/one-bathroom units
- 1050 to 1150 square feet for three bedroom/one and a half- or two-bathroom units

The development will include ground floor retail space of at least 8,800 square feet, along Fourth Street, inclusive of the space designated for the provision of an after school writing and literacy program which will be offered by 826 Valencia, or other Out of School Time Service Provider. 826 Valencia is a nonprofit organization dedicated to supporting students ages six to eighteen with their creative and expository writing skills and to helping teachers inspire their students to write.

The development will include 24-hour property management and supportive services designed to serve the prospective resident families, including the formerly homeless households. Services will include after school activities and other programming for youth.

Development amenities will include:
- A community room with kitchen,
- Exterior gathering and recreation spaces,
- Offices/Meeting rooms to facilitate provision of supportive services,
- Bicycle Parking,
- Covered parking with a ratio of .25 spaces per residential unit,
- Space for the provision of Out-of-School Time Services