GROUND LEASE

between

THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY AND COUNTY OF SAN FRANCISCO, as Landlord

and

AMCAL PACIFIC POINT FUND, L.P., as Tenant

dated as of September 12, 2014
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GROUND LEASE

This ground lease ("Ground Lease"), dated as of September 12, 2014, ("Agreement Date") is by and between THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, hereafter referred to as the Office of Community Investment and Infrastructure, a public body, organized and existing under the laws of the State of California ("OCII" or the "Landlord"), and AMCAL Pacific Point Fund, L.P., a California limited partnership, as tenant ("AMCAL" or "Tenant").

RECITALS

A. In furtherance of the objectives of the California Community Redevelopment Law, California Health and Safety Code §§ 33000 et seq. (as amended from time to time, the "CCRL"), the former San Francisco Redevelopment Agency ("Agency") has undertaken a program for the clearance and reconstruction or rehabilitation of slum and blighted areas in the City and County of San Francisco (the "City"), including the area commonly known as the “Hunters Point Shipyard”.

B. The Agency prepared the Hunters Point Shipyard Redevelopment Plan, approved and adopted by the Board of Supervisors by ordinance number 285-97 on July 14, 1997, as amended (the “Redevelopment Plan”), providing for the clearance and redevelopment or rehabilitation of certain lands in Hunter’s Point Shipyard. In cooperation with the City, the Agency is in the process of implementing the Hunters Point Shipyard Redevelopment Plan.

C. Under Assembly Bill No. 1X 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) ("AB 26") and the California Supreme Court’s decision in California Redevelopment Association v. Matosantos, No. S194861, all redevelopment agencies in the
State of California, including the Redevelopment Agency of the City and County of San Francisco, were dissolved by operation of law as of February 1, 2012. In June 2012, the California Legislature adopted legislation amending AB 26 as a trailer bill to the State’s budget bill for the 2012-2013 fiscal year, known as Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12, Regular Session) (“AB 1484”), and the Governor signed that bill on June 27, 2012.

D. Pursuant to AB 26 and AB 1484, the Agency was designated as the successor agency of the Redevelopment Agency of the City and County of San Francisco, and the Agency succeeds, by operation of law, to its rights, title and interest in the Horizontal DDA, without the necessity for any assignment or other action on the part of any party. 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, adopted Ordinance 215-12 (File No. 120898) 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 and to implement certain projects, including Phase 1 and the Project. As required by AB 26, the Agency also established the oversight board of the Agency (the “Oversight Board”).

E. The Horizontal DDA is an enforceable obligation within the meaning of AB 26 and AB 1484 (“Enforceable Obligation”), and was in existence before June 28, 2011. The Oversight Board has recognized and approved the Horizontal DDA as an Enforceable Obligation, and on December 13, 2012, the California Department of Finance provided written confirmation that this determination of enforceability is final and conclusive in accordance with California Health and Safety Code section 34177.5(i).
F. California Health and Safety Code section 34177 provides that the
Agency, as a successor agency, is required to (i) perform obligations required pursuant to any
Enforceable Obligation, and (ii) continue to oversee development of properties until the
contracted work has been completed.

G. The United States of America, acting through the United States
Department of the Navy (the “Navy”), and the Agency entered into that certain Conveyance
Agreement dated as of March 31, 2004 (as amended from time to time, the “Conveyance
Agreement”) governing the terms and conditions for the phased transfer of the Hunters Point
Shipyard from the Navy to the Agency.

The OCII, as the Agency’s successor agency, is now the fee owner of the land
located at the Hunters Point Shipyard known as Block 49, as further described in Attachment 1
to this Ground Lease (the “Site”).

H. The Agency and Lennar – BVHP, LLC, a California limited liability
company (“Lennar BVHP”), entered into that certain Disposition and Development Agreement
Hunters Point Shipyard Phase 1 dated as of December 2, 2003 and recorded in the Official
Records on April 5, 2005 as Document No. 2005H932190 at Reel I861, Image 564 (the
“Original DDA”), as amended by that certain First Amendment to Disposition and Development
Agreement Hunters Point Shipyard Phase 1 dated as of April 4, 2005 and recorded in the Official
Records on April 5, 2005 as Document No. 2005H932191 at Reel I861, Image 565 (the “First
Amendment”), and as further amended by that certain Second Amendment to Disposition and
Development Agreement Hunters Point Shipyard Phase 1 dated as of October 17, 2006 and
recorded in the Official Records on October 26, 2006 as Document No. 2006I275571 at Reel
J254, Image 429 (the “Second Amendment”), and as further amended by that certain
Amendme

nt to Attachment 10 (Schedule Of Performance For Infrastructure Development And
Open Space “Build Out” Schedule Of Performance) to the Disposition And Development
Agreement Hunters Point Shipyard Phase 1 dated as of August 5, 2008 and recorded in the
Official Records on March 24, 2009 as Document No. 2009-I738449 at Reel J254, Image 429
(the “Third Amendment”), and as further amended by that certain Fourth Amendment to
Disposition and Development Agreement (Hunters Point Shipyard Phase 1) dated as of August
29, 2008 and recorded in the Official Records on March 24, 2009 as Document No. 2009-
1738450 at Reel J854, Image 186 (the “Fourth Amendment”), and as further amended by that
certain Fifth Amendment to Disposition and Development Agreement (Hunters Point Shipyard
Phase 1) dated as of November 3, 2009 and recorded in the Official Records on November 30,
2009 as Document No. 2009I879123 at Reel K28, Image 60 (the “Fifth Amendment”), and as
further amended by that certain Sixth Amendment to Disposition and Development Agreement
(Hunters Point Shipyard Phase 1) dated as of December 19, 2012 and recorded in the Official
Records on February 11, 2013 as Document No. 2013J601488 (the “Sixth Amendment”, and
together with the Original DDA, the First Amendment, the Second Amendment, the Third
Amendment, the Fourth Amendment, the Fifth Amendment and as may be further amended or
supplemented from time to time, the “Horizontal DDA”). Effective as of August 29, 2008,
Lennar BVHP assigned its interests in the Horizontal DDA to HPS Development Co., LP, a
Delaware limited partnership (“Developer”) with the consent of the Agency.

I. Consistent with the Sixth Amendment, (i) OCII dedicated the Site as an
affordable housing site for the construction of fifty-nine (59) 50% AMI Units, and (ii) the
Landlord and Tenant, as Vertical Developer, entered into that certain Vertical Lease Disposition
and Development Agreement (Hunters Point Shipyard Phase 1 - Block 49) dated as of February
18, 2014 (the “VLDDA”), governing the rights and obligations of the Parties as they relate to
development of the affordable housing project on the Site as described in the VLDDA (the
“Project”) and the conditions to delivery of the Site to Tenant for the construction, operation and
maintenance of the Project. The VLDDA sets forth the preconditions to delivery of this Ground
Lease to Tenant.

J. Based on preliminary designs, the Project will be an approximately 55-
foot tall development with approximately 60 units, comprised of 27 one bedroom, 21 two
bedroom, and 12 three bedroom units, which includes 1 manager’s unit, 44 parking spaces, and
other ancillary uses. On-site amenities include a laundry room, common areas, and bicycle
storage. Any changes to the preliminary designs will be made in accordance with the Vertical
Design Review and Document Approval Procedure attached to the VLDDA.

K. The VLDDA and the Ground Lease are in furtherance of and is necessary
to complete an Enforceable Obligation that existed before June 28, 2011, are in furtherance of
and necessary to implement the Redevelopment Plan, and are in the best interests of OCII,
Developer, Tenant and the taxing entities. All conditions to delivery of the Premises pursuant to
the VLDDA have been satisfied or waived, and OCII and Lessee now desire to enter into this
Ground Lease, upon all of the terms and conditions hereof. Upon completion of the
Improvements, the VLDDA will terminate in accordance with its terms.

L. Tenant has agreed to reimburse Developer for costs incurred by Developer
in connection with the construction of certain infrastructure and off-site improvements by the
Developer which benefit the Site in the form of a promissory note in the amount of Four Million
One Hundred Thousand Dollars ($4,100,000) (the “Off-Site Improvements Loan”). Tenant
will pay the principle and interest on the Offsite Improvements Loan from Surplus Cash as set
forth in the promissory note executed in connection therewith and in accordance with Section 6.02 of this Ground Lease. Developer has assigned Developer’s interest in the Off-Site Improvements Loan (including the promissory note) to Landlord, and Tenant consents to Developer’s assignment. Tenant understands and agrees that any transfer of Landlord’s interest in this Ground Lease shall include a concurrent transfer of Landlord’s interest in the Off-Site Improvements Loan. Accordingly, Tenant agrees to make principal and interest payments to Landlord from Surplus Cash as set forth in the Off-Site Improvement Loan (and the promissory note) and in accordance with Section 6.02 hereof. Failure to make such payments to Landlord shall be deemed a breach of this Ground Lease, and upon any such breach, Landlord shall have the right to exercise remedies as set forth in Article 19.

M. Upon completion of the Project, OCII intends to transfer the asset, and ground lease 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, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, OCII hereby leases the Site to Tenant, and Tenant hereby leases the Site from OCII, for the Term (as defined in Article 2), subject to the terms, covenants, agreements and conditions set forth in this Ground Lease. OCII also grants to Tenant, for the Term, a temporary nonexclusive easement for street, roadway and public utility purposes across Tract Two and Tract Three as described in Attachment 1 (the “Access Easement”). The Access Easement will terminate upon completion of the improvements and acceptance of the streets by the City and County of San Francisco as set forth and pursuant to the terms of the Owner’s
Statement, as shown on the final map entitled “FINAL MAP NO. 4231,” filed for record on August 12, 2009, in Survey Map Book CC at Pages 165 to 175, in the Official Records of the City and County of San Francisco, State of California. By signing this Lease in the space provided in Attachment 1, Developer agrees to grant the Access Easement for those portions of Tract Two and Tract Three owned by Developer.

ARTICLE 1: DEFINITIONS

Terms used herein have the meanings given them when first used or as set forth in this Article 1.

1.01 Agency has the meaning set forth in Recital A.

1.02 Area Median Income (or “AMI”) means the area median income as determined by the United States Department of Housing and Urban Development for the San Francisco Primary Metropolitan Statistical Area, adjusted solely for actual household size, and as published annually by MOHCD.

1.03 Effective Date means the close of escrow date for all financing required to construct the Project.

1.04 First Mortgage Lender means any lender and its successors, assigns and participants or other entity holding the first deed of trust on the Leasehold Estate, and in the event of the bond financing, the issuer and the entity purchasing the bonds shall both be First Mortgage Lender.

1.05 Ground Lease means this Ground Lease of the Site, as amended from time to time.

1.09 Improvements means all physical construction, including all structures, fixtures and other improvements to be constructed on the Site.
1.10 **Lease Year** means each calendar year during the term hereof, beginning on January 1 and ending on December 31, provided that the “First Lease Year” shall commence on the Effective Date and continue through December 31st of that same calendar year.

Furthermore, the “Last Lease Year” shall end upon the expiration of the Term.

1.11 **Leasehold Estate** means the estate held by the Tenant pursuant to and created by this Ground Lease for so long as it remains in effect.

1.12 **Leasehold Mortgage** means any mortgage, deed of trust, trust indenture, letter of credit or other security instrument, including but not limited to the deeds of trust securing the First Mortgage Lender and which are part of the Loan Documents, and any assignment of the rents, issues and profits from the Site, or any portion thereof, which constitute a lien on the Leasehold Estate created by this Ground Lease and will be approved in writing by OCII.

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

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

1.15 **MOHCD** means the Mayor’s Office of Housing and Community Development.

1.16 **Notice of Completion (“NOC”)** is defined in Section 10.14.

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

1.19 **Parties** shall mean the Landlord, the Tenant and their respective successors and assigns.

1.20 **Partnership Agreement** means the Agreement of Limited Partnership by and among AMCAL Multi-Housing Two, LLC, a California limited liability company, a YCD
Affiliate, Bank of America, N.A., a national banking association, and Banc of America CDC

1.21 **Permitted Limited Partner** has the meaning set forth in Section 19.02. For the purposes of this Ground Lease, Bank of America, N.A., a national banking association, Banc of America CDC Special Holding Company, Inc., a North Carolina corporation, and any affiliate thereof, shall be deemed to be a Permitted Limited Partner.

1.22 **Premises** means the Site together with any Improvements thereon.

1.23 **Project** means the development, consisting of 60 units of affordable housing including one manager’s unit, and other ancillary uses on the Site permitted by this Ground Lease and approved by OCII. If indicated by context, Project means the leasehold interest in the Site and the fee interest in the Improvements on the Site.

1.24 **Project Expenses** means all charges incurred by Tenant in the operation of the Project including but not limited to: (a) lease payments, utilities, real estate and/or possessory interest taxes, assessments, and liability, fire and other hazard insurance premiums; (b) salaries, wages and other compensation due and payable to any employees (if any) or agents of Tenant who maintain, administer, operate or provide services in connection with the Project, including all withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments required for any such employees; (c) payments of required interest and principal, credit enhancement fees and/or annual servicing fees, if any, on any construction or permanent financing secured by the Project; (d) all other expenses incurred by Tenant to cover routine operating and services provision costs of the Project, including maintenance and repair and the reasonable fee of any managing agent; (e) any extraordinary expenses as approved in advance by OCII; and (f) deposits to reserve accounts required to be established under the Loan Documents.
or the Partnership Agreement.

1.25 **Project Income** means all revenue, income receipts, and other consideration actually received from the operation of leasing the Improvements and Project. Project Income shall include but not be limited to: all rents, fees and charges paid by tenants; Section 8 or other rental subsidy payments received by the Tenant for the dwelling units; supportive services funding, if to the Tenant; commercial lease income; deposits forfeited by tenants; all cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements; proceeds from vending and laundry room machines; and the proceeds of business interruption or similar insurance. Project Income shall not include tenants’ security deposits, loan proceeds, capital contributions or similar advances.

1.26 **Site** means the real property located at Hunters Point Shipyard, Block 49, San Francisco, as shown in the Site Legal Description, Attachment 1.

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

1.28 **Surplus Cash** means the excess of Project Income over Project Expenses. All permitted uses and distributions of Surplus Cash shall be governed by Section 6.02(g) of this Ground Lease.

1.29 **Tenant** means AMCAL Shipyard Fund, L.P., a California limited partnership, and its successors and assigns (or a Subsequent Owner, if applicable).

1.30 **Very Low-Income Households** means: a tenant household with combined initial income that does not exceed fifty percent (50%) of Area Median Income.
Whenever an “Attachment” is referenced, it means an attachment to this Ground Lease unless otherwise specifically identified. Whenever a section, article or paragraph is referenced, it is a reference to this Ground Lease unless otherwise specifically referenced.

ARTICLE 2: TERM

(a) Initial Term. The term of this Ground Lease shall commence upon the Effective Date and shall end seventy-five (75) years from that date (“Term”), unless terminated sooner in accordance with this Ground Lease or extended pursuant to section (b) below.

(b) Option for Extension. Provided that the Tenant is not in default under the terms of this Ground Lease and the Loan Documents, beyond any applicable notice and cure period, either at the time of giving of an Extension Notice, as described in subparagraph (c) below, or on the last day of the term (the “Termination Date”), the term of this Ground Lease may be extended at the option of the Tenant for one twenty-four (24) year period as provided below.

(c) Notice of Extension. Not later than one hundred eighty (180) days prior to the Termination Date, the Tenant may notify the OCII in writing that it wishes to exercise its option to extend the term of this Ground Lease (an “Extension Notice”). The extended term shall be for twenty-four (24) years from the Termination Date, which option the Tenant may exercise only once, for a total Ground Lease term of not to exceed ninety-nine (99) years.

(d) Rent During Extended Term. Rent for any extended term will be as set forth in Article 4.

(e) Right of First Refusal. If the OCII desires to sell its interest in the Site, the Tenant will have the right of first refusal to negotiate for the purchase of the Site as set forth in Section 14.02.

ARTICLE 3: FINANCING
Tenant shall submit to the OCII evidence satisfactory to OCII that Tenant has sufficient
equity capital and commitments for construction and permanent financing, and/or such other
evidence of capacity to proceed with the construction of the Improvements in accordance with
the dates specified in the Schedule of Performance, Attachment 2. OCII hereby acknowledges
that as of the Effective Date, Tenant has provided OCII with sufficient evidence to satisfy this
Article 3.

ARTICLE 4: RENT

4.01 Annual Rent

(a) Tenant shall pay to OCII TWO HUNDRED TWENTY THOUSAND Dollars
($220,000.00) (the “Annual Rent”) per year for each year of the Term of this Ground Lease,
which is equal to ten percent (10%) of appraised value of the Site as of the Effective Date, and
consists of Base Rent and Residual Rent, as defined in Sections 4.02 and 4.03 below, without
offset of any kind (except as otherwise permitted by this Lease) and without necessity of
demand, notice or invoice.

(b) If the Tenant elects to extend the term of this Ground Lease pursuant to Article 2
above, Annual Rent during any such extended term shall be set by mutual agreement of the
parties, taking into account the affordable housing restrictions contained in Section 9.02, project
debt (including any surplus cash debt obligations) and the annual income expected to be
generated by the Project. If the parties cannot agree on Annual Rent, either party may invoke a
neutral third-party process and shall agree on a neutral third-party appraiser to set the Annual
Rent at fair market rent in accordance with the then-prevailing practice for resolving similar rent
determination disputes for affordable housing projects in San Francisco taking into account the
affordable housing restrictions contained in Section 9.02 Project debt (including any surplus cash
debt obligations) and the annual income expected to be generated by the Project or, in the event that there is no then-prevailing practice, in accordance with the rules of the American Arbitration Association. Provided, however, that after the neutral third party process, Tenant, in its sole discretion may rescind the Extension Notice if it does not wish to extend the Term of this Ground Lease.

4.02 Base Rent

(a) “Base Rent”, means FIFTEEN THOUSAND DOLLARS ($15,000) per annum. Base Rent shall be due and payable in arrears on January 31st of each Lease Year, however no Base Rent shall be due until after completion of the Improvements. The first Base Rent payment shall be due on the January 31st of the calendar year following the First Lease Payment Year; and provided, further, that in the event that the Tenant or any Subsequent Owner fails, after notice and opportunity to cure, to comply with the provisions of Section 9.02, Base Rent shall be increased to the full amount of the Annual Rent.

(b) If the Project does not have sufficient Project Income to pay Base Rent and OCII has received written notice from Tenant regarding its inability to pay Base Rent from Project Income, the unpaid amount shall be deferred and all such deferred amounts shall accrue without interest until paid (“Base Rent Accrual”). The Base Rent Accrual shall be due and payable each year from and to the extent Surplus Cash is available to make such payments and, in any event, upon the earlier of sale of the Project or termination of this Ground Lease.

(c) If Tenant has not provided OCII with written notice that it cannot pay Base Rent due to insufficient Project Income, OCII shall assess a late payment penalty of two percent (2%) for each month or any part thereof that any Base Rent payment is delinquent. This penalty shall not apply to Base Rent Accrual that has been previously approved by OCII pursuant to Section
4.02(b). The Tenant may request in writing that OCII waive such penalties by describing the reasons for Tenant’s failure to pay Base Rent and Tenant’s proposed actions to insure that Base Rent will be paid in the future. OCII may, in its sole discretion, waive in writing all or a portion of such penalties if it finds that Tenant’s failure to pay Base Rent was beyond Tenant’s control and that Tenant is diligently pursuing reasonable solutions to such failure to pay.

4.03 Residual Rent

“Residual Rent” means, in any given Lease Year, TWO HUNDRED FIVE THOUSAND Dollars ($205,000.00), plus any additional amount payable to Landlord under Section 6.02(g). Residual Rent shall be due in arrears on April 15th following each Lease Year, payable only to the extent of Surplus Cash as provided in Section 6.02(g), and any unpaid Residual Rent shall not accrue. However, in the event that Surplus Cash is insufficient to pay the full amount of the Residual Rent, Tenant shall certify to OCII in writing by April 15 that available Surplus Cash is insufficient to pay Residual Rent and Tenant shall provide to OCII any supporting documentation reasonably requested by OCII to allow OCII to verify the insufficiency.

4.04 Triple Net Lease

This Ground Lease is a triple net lease and the Tenant shall be responsible to pay all costs, charges, taxes, impositions and other obligations related to Tenant’s use and occupancy of the Premises. From and after the Effective Date, if the Agency pays any such amounts, whether to cure a default or otherwise protect its interests hereunder, OCII will be entitled to be reimbursed by Tenant the full amount of such payments as additional rent within thirty (30) days of written demand by OCII. Failure to timely pay the additional rent shall be an event of default.

ARTICLE 5: AGENCY COVENANTS
OCII is duly created and validly existing in good standing under the Law, and has full right, power and authority to enter into and perform its obligations under this Ground Lease.

OCII owns fee title to the Site. OCII covenants and warrants that the Tenant and its tenants shall have, hold and enjoy, during the lease term, peaceful, quiet and undisputed and uninterrupted possession of the Site without hindrance or molestation by or from anyone at all times that no Tenant Event of Default has occurred and is continuing. OCII has not used any Federal or State Fund to acquire the Site or pay for any premises thereon.

ARTICLE 6: TENANT COVENANTS

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

6.01 Limited Partnership/Authority

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

6.02 Use of Site and Rents

During the term of this Ground Lease, Tenant and such successors and assigns shall comply with the following requirements:

6.02(a) Permitted Uses

Except as provided in Sections 26.06 and 26.07 of this Ground Lease, Tenant shall devote the Site to, exclusively and in accordance with, the uses specified in this Ground Lease, as specified in Article 9 hereof, which are the only uses permitted by this Ground Lease.

6.02(b) Non-Discrimination

Tenant shall not discriminate against or segregate any person or group of persons on account of race, color, creed, religion, ancestry, national origin, sex, gender identity, marital
or domestic partner status, sexual orientation or disability (including HIV or AIDS status) in the
sale, lease, rental, sublease, transfer, use, occupancy, tenure or enjoyment of the Site or the
Improvements, or any part thereof, nor shall Tenant itself or any person claiming under or
through it establish or permit any such practice or practices of discrimination or segregation with
reference to the selection, location, number, use or occupancy, of Occupants, subtenants or
vendees on the Site or Improvements, or any part thereof, except to the extent permitted by law
or required by funding source. Tenant shall not discriminate against tenants with Certificates of
Preference or vouchers under the Section 8 program or any successor rent subsidy program.

6.02(c) Non-Discriminatory Advertising

All advertising (including signs) for sublease of the whole or any part of the Site
shall include the legend “Equal Housing Opportunity” in type or lettering of easily legible size
and design.

6.02(d) Access for Disabled Persons

Comply with all applicable laws providing for access for persons with disabilities,
including, but not limited to, the Americans with Disabilities Act and Section 504 of the
Rehabilitation Act of 1973 to the extent applicable to the Project.

6.02(e) Equal Opportunity Marketing Plan

Tenant shall submit a Fair Housing Marketing Plan to be approved by OCII. The Fair
Housing Marketing Plan must follow OCII’s marketing requirements for such plans.

6.02(f) Lead Based Paint

Tenant agrees to comply with all applicable laws regarding the prohibition on the use of
lead-based paint in certain residential structures and require the elimination of lead-based paint
hazards.
6.02(g) Permitted Uses of Surplus Cash

At the end of each lease year following the Completion Date, Tenant shall calculate Surplus Cash. If no Event of Default exists hereunder, Tenant shall use Surplus Cash to make the following payments:

(i) first, to Base Rent Accrual, if any, until paid in full; (ii) second, to additions to a funded capital replacement reserve, as set forth in the current MOHCD/OCII Underwriting Guidelines (the “Guidelines”), based upon CNA (Capital Needs Assessment) described in the Guidelines;

(iii) third, to a managing general partner asset management fee of $5,000, increasing at an annual rate of three percent (3.5%);

(iv) fourth, to a limited partner asset and partnership management fee up to the maximum allowable under the Maximum Amount of the Total Asset Management Fee and Partnership Management Fee (as defined in the Guidelines), net of the amount included in the operating budget;

(v) fifth, to pay any unpaid deferred developer fees, as set forth in the Partnership Agreement;

(vi) sixth, to repay any Operating Deficit Loans and/or Development Deficit Loans made by the general partner of Tenant, as set forth in the Partnership Agreement;

(vii) seventh, any remaining Surplus Cash after the above payments have been paid shall be split, one-half (1/2) to Landlord as Residual Rent and one-half (1/2) to Tenant, with Tenant’s portion being used to pay the Off-Site Improvements Loan until paid in full; and

(viii) eighth, once the Off-Site Improvements Loan has been paid in full, any remaining Surplus Cash shall be split two-thirds (2/3) to Landlord as Residual Rent and one-third to Tenant,
with Tenant’s share distributed to Tenant’s partners in accordance with the terms of the Partnership Agreement.

6.03 OCII Deemed Beneficiary of Covenants

In amplification, and not in restriction, of the provisions of the preceding subsections, it is intended and agreed that OCII shall be deemed beneficiary of the agreements and covenants provided in Section 6.02 for and in its own right and also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit such agreements and covenants have been provided. Such agreements and covenants shall run in favor of OCII for the entire period during which such agreements and covenants shall be in force and effect, without regard to whether OCII has any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate.

OCII shall have the right, in the event of any breach of any such agreements or covenants, in each case, after notice and the expiration of cure periods, to exercise all the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach of covenants, to which it or any other beneficiaries of such agreements or covenants may be entitled.

ARTICLE 7: ANNUAL INCOME COMPUTATION AND CERTIFICATION

Forty-five (45) days after recording of a Notice of Completion (as defined in Section 10.14) by the Tenant for the Improvements, and not later than December 31st of each year thereafter, Tenant will furnish to OCII a list, in the form set forth in Attachment 5, of all of the names of the persons who are Occupants of the Improvements, the specific unit which each person occupies, the household income of the Occupants of each unit, the household size and the rent being charged to the Occupants of each unit. If any state or federal agency requires an
income certification for Occupants of the Improvements containing the above-referenced
information, OCII agrees to accept such certification in lieu of Attachment 5 as meeting the
requirements of this Ground Lease.

ARTICLE 8: ADDITIONAL TENANT RIGHTS; OCII RESERVED RIGHTS;

CONDITION OF SITE - "AS IS"

Neither OCII, nor any employee, agent or representative of OCII has made any
representation, warranty or covenant, expressed or implied, with respect to the Site, its physical
condition, the condition of any improvements, any environmental laws or regulations, or any
other matter, affecting the use, value, occupancy or enjoyment of the Site other than as set forth
explicitly in this Ground Lease, and the Tenant understands and agrees that OCII is making no
such representation, warranty or covenant, expressed or implied; it being expressly understood
that the Site is being leased in an "AS IS" condition with respect to all matters.

ARTICLE 9: IMPROVEMENTS AND PERMITTED USES

9.01 Scope of Development and Schedule of Performance

Tenant agrees to undertake and complete all physical construction on the Site, if any,
contemplated by this Ground Lease and as approved by OCII, in accordance with the Schedule
of Performance and Article 10 hereof.

9.02 Permitted Uses and Occupancy Restrictions

The permitted uses of the Project are limited to sixty (60) residential rental housing units,
including one (1) manager’s unit (together “Residential Units”), indoor and outdoor common
areas. Upon the completion of construction, one hundred percent (100%) of the Residential
Units, with the exception of the manager’s unit, in the Project shall be occupied or held vacant
and available for rental by Low-Income Households.
ARTICLE 10: CONSTRUCTION OF IMPROVEMENTS

10.01 General Requirements and Rights of OCII

Construction documents for the construction of the Improvements by Tenant, including:
(1) the basic concept drawings; (2) the schematic drawings; (3) the design development
documents; and, (4) the final plans and specifications (the “Final Construction Documents”)
(collectively the “Construction Documents”) shall be prepared by a person registered in and by
the State of California to practice architecture and shall be in conformity with this Ground Lease
and all applicable Federal, State and local laws and regulations. The architect shall use, as
necessary, members of associated design professions, including engineers and landscape
architects. Notwithstanding anything to the contrary contained in this Article 10, OCII hereby
acknowledges that the Construction Documents have been approved as of the Effective Date.

10.02 OCII Approvals and Limitation Thereof

The Construction Documents must be approved by the Agency in the manner set
fortieth below:

10.02(a) Compliance with Ground Lease

OCII’s approval with respect to the Construction Documents is limited to
determination of their compliance with this Ground Lease. The Construction Documents shall
be subject to general architectural review and guidance by OCII as part of this review and
approval process.

10.02(b) OCII Does Not Approve Compliance with Construction

Requirements

OCII’s approval is not directed to engineering or structural matters or compliance
with building codes and regulations, the Americans with Disabilities Act, or any other applicable
State or Federal law relating to construction standards or requirements.

10.02(c) OCII Determination Final and Conclusive
OCII’s determination respecting the compliance of the Construction Documents with this Ground Lease shall be final and conclusive (except that it makes no determination and has no responsibility for the matters set forth in Section 10.02(b), above).

10.03 Construction to be in Compliance with Construction Documents and Law

10.03(a) Compliance with OCII Approved Documents

The construction shall be in strict compliance with OCII-approved Construction Documents.

10.03(b) Compliance with Local, State and Federal Law

The construction shall be in strict compliance with all applicable local, State and Federal laws and regulations.

10.04 Disapproval of Construction Documents by OCII

If OCII disapproves the Construction Documents in whole or in part as not being in compliance with this Ground Lease, Tenant shall submit new or corrected plans which are in compliance within thirty (30) days after written notification to it of disapproval, and the provision of this section relating to approval, disapproval and re-submission of corrected Construction Documents shall continue to apply until the Construction Documents have been approved by OCII; provided, however, that in any event Tenant must submit satisfactory Construction Documents (i.e., approved by OCII) no later than the date specified therefor in the Schedule of Performance.

10.05 Final Construction Documents to be Approved by OCII

The Final Construction Documents, including all drawings, specifications and other related documents necessary for the construction of the Improvements in accordance with the requirements of this Ground Lease must be approved by the OCII Director. Notwithstanding anything to the contrary contained in this Article 10, OCII hereby acknowledges that the Final
Construction Documents have been approved by OCII prior to the date of this Ground Lease.

10.06 Intentionally Omitted

10.07 Issuance of Building Permits

Tenant shall have the sole responsibility for obtaining all necessary building permits and shall make application for such permits directly to the City's Department of Building Inspection. OCII understands and agrees that Tenant may use the Fast Track method of permit approval for building the Improvements.

10.08 Performance and Payment Bonds

Prior to commencement of construction of the Improvements, Tenant shall deliver to OCII performance and payment bonds, each for the full value of the cost of construction of the Improvements, which bonds shall name OCII as co-obligee, or such other completion security which is acceptable to OCII. The payment and performance bonds may be obtained by Tenant’s general contractor and name Tenant and OCII as co-obligees.

10.09 OCII Approval of Changes after Commencement of Construction

Once construction has commenced, the only Construction Document matters subject to further review by the Agency will be requests for any material changes in the Construction Documents which affect matters previously approved by OCII. All requests for changes shall be processed as set forth in the Vertical Design Review and Document Approval Procedure attached to the VLDDA.

10.10 Times for Construction

Tenant agrees for itself, and its successors and assigns to or of the Leasehold Estate or any part thereof, that Tenant and such successors and assigns shall promptly begin and diligently prosecute to completion the redevelopment of the Site through the construction of the
Improvements thereon, and that such construction shall in any event commence and thereafter
diligently continue and shall be completed no later than the dates specified in the Schedule of
Performance, subject to force majeure, unless such dates are extended by OCII.

10.11 Force Majeure

For the purposes of any of the provisions of this Ground Lease, and notwithstanding
anything to the contrary, neither OCII nor Tenant, as the case may be, shall be considered in
breach or default of its obligations, nor shall there be deemed a failure to satisfy any conditions
with respect to the beginning and completion of construction of the Improvements, or progress in
respect thereto, in the event of enforced delay in the performance of such obligations or
satisfaction of such conditions, due to unforeseeable causes beyond its control and without its
fault or negligence, including, but not restricted to, acts of God, or of the public enemy, acts of
the Government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes,
freight embargoes, general scarcity of materials and unusually severe weather or delays of
subcontractors due to such causes; it being the purposes and intent of this provision that in the
event of the occurrence of any such enforced delay, the time or times for the satisfaction of
conditions to this Ground Lease including those with respect to construction of the
Improvements, shall be extended for the period of the enforced delay; provided, however, that
the party seeking the benefit of the provisions of this paragraph shall have notified the other
party thereof in writing of the cause or causes thereof within sixty (60) days after the beginning
of any such enforced delay and requested an extension for the period of the enforced delay; and,
provided further, that this paragraph shall not apply to, and nothing contained in this paragraph
shall extend or shall be construed to extend, the time of performance of any of Tenant's
obligations to be performed prior to the commencement of construction, nor shall the failure to
timely perform pre-commencement of construction obligations extend or be construed to extend Tenant's obligations to commence, prosecute and complete construction of the Improvements in the manner and at the times specified in this Ground Lease.

**10.12 Reports**

Commencing when construction of the Improvements commences and continuing until completion of construction of the Improvements, Tenant shall make a report in writing to OCII every three (3) months, in such detail as may reasonably be required by OCII, as to the actual progress of the Tenant with respect to such construction.

**10.13 Access to Site**

Commencing as of the Effective Date, Tenant shall permit access to the Site to OCII to the extent necessary to carry out the purposes of the provisions of this Ground Lease, at reasonable times and upon reasonable advance notice and subject to such reasonable job safety procedures as Landlord may establish.

**10.14 Notice of Completion**

Promptly upon completion of the construction of the Improvements in accordance with the provisions of this Ground Lease, Tenant shall file a Notice of Completion (“NOC’”), and record such approved NOC in the San Francisco Recorder’s Office. Tenant shall provide OCII with a copy of the recorded NOC.

**10.15 Completion of Improvements by New Developer**

In the event Lender or a successor thereto forecloses, obtains a deed in lieu of foreclosure or otherwise takes title to the Premises and undertakes construction of the Improvements (“New Developer”) (a) such New Developer shall not be bound by the provisions of the Schedule of Performance with respect to any deadlines for the completion of the
Improvements but shall only be required to complete the Improvements with due diligence and in conformance with a new Schedule of Performance as agreed upon by the New Developer and OCII, (b) such New Developer shall only be required to complete the Improvements in accordance with all applicable building codes and ordinances and the approved Construction Documents with such changes that are mutually agreed upon by OCII and the New Developer pursuant to subsection (c) hereof; and (c) OCII and New Developer shall negotiate in good faith such reasonable amendments and reasonable modifications to this Ground Lease as the Parties mutually determine to be reasonably necessary based upon the financial and construction conditions then existing.

ARTICLE 11: COMPLETION OF IMPROVEMENTS

11.01 Certificate of Completion - Issuance

Promptly after completion of the construction of the Improvements in accordance with the provisions of this Ground Lease, and upon the request of Tenant, OCII will furnish Tenant with an appropriate instrument so certifying. Such certification by OCII shall be a conclusive determination of satisfaction and termination of the agreements and covenants of this Ground Lease with respect to the obligation of Tenant, and its successors and assigns, to construct the Improvements in accordance with OCII approved Final Construction Documents and the dates for the beginning and completion thereof; provided, however, that such determination shall only be withheld because of failure to carry out specific requirements of this Ground Lease; provided further, that such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of Tenant to any Lender, or any insurer of a mortgage, securing money loaned to finance the construction or any part thereof; provided further, that OCII issuance of any Certificate of Completion does not relieve Tenant or any other
person or entity from any and all OCII requirements or conditions to occupancy of the
Improvements, which requirements or conditions must be complied with separately.

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

11.02 Certifications to be Recordable

All certifications provided for in this section shall be in such form as will enable them to
be recorded with the Recorder of the City.

11.03 Certification of Completion - Non-Issuance Reasons

If OCII shall refuse or fail to provide any certification in accordance with the provisions
of Section 11.01, OCII shall provide Tenant with a written statement, within fifteen (15) days
after written request by Tenant, indicating in adequate detail in what respects Tenant has failed to
complete the construction of the Improvements in accordance with the provisions of this Ground
Lease or is otherwise in default hereunder and what measures or acts will be necessary, in the
reasonable opinion of OCII, for Tenant to take or perform in order to obtain such certification.

ARTICLE 12: CHANGES TO THE IMPROVEMENTS

12.01 Post Completion Changes

OCII has a particular interest in the Site and in the nature and extent of the permitted changes to the Improvements. Accordingly, it desires to and does hereby impose the following particular controls on the Site and on the Improvements: during the term of this Ground Lease, neither Tenant, nor any voluntary or involuntary successor or assign, shall make or permit any Change in the Improvements (as defined in Section 12.02), unless the express prior written consent for any change shall have been requested in writing from OCII and obtained, and, if obtained, upon such terms and conditions as OCII may reasonably require. OCII agrees not to withhold its consent or delay its response to such a request unreasonably.

12.02 Definition of Change

“Change” as used in this Article means any material alteration, modification, addition and/or substitution of or to the Site, the Improvements, and/or the density of development which differs materially from that which existed upon the completion of construction of the Improvements in accordance with this Ground Lease, and shall include without limitation the exterior design and exterior materials. For purposes of the foregoing, exterior shall mean and include the roof of the Improvements. Changes shall not include repairs, maintenance and/or interior alterations in the normal course of operation of a residential development or as may be required in an emergency to protect the safety and well-being of the Project’s Occupants, tenants, or subtenants, or anyone lawfully permitted on the Site, any changes required to cause the Improvements to comply with any applicable law, or any interior repairs, maintenance and/or alternations that replace or extend the life of existing improvements and that do not decrease the
number of units or bedrooms.

12.03 Enforcement

Subject to Article 19 hereof, OCII shall have any and all remedies in law or equity (including without limitation restraining orders, injunctions and/or specific performance), judicial or administrative, to enforce the provisions of this Article 12, including without limitation any threatened breach thereof or any actual breach or violation thereof.

ARTICLE 13: TITLE TO IMPROVEMENTS

From and after the Effective Date, fee title to any Improvements shall be vested in Tenant and shall remain vested in Tenant during the Term, subject to Section 14.01 below. Subject to the rights of any Lenders and as further consideration for OCII entering into this Ground Lease, at the expiration or earlier termination of this Ground Lease, fee title to all the Improvements shall vest in OCII without further action of any party, without any obligation by the Agency to pay any compensation therefor to Tenant and without the necessity of a deed from Tenant to OCII.

ARTICLE 14: ASSIGNMENT, SUBLEASE OR OTHER CONVEYANCE

14.01 Assignment, Sublease or Other Conveyance by Tenant

Tenant may not sell, assign, convey, sublease, or transfer in any other mode or form all or any part of its interest in this Ground Lease or in the Improvements or any portion thereof, other than to Lender(s) or affiliates of Lenders, or allow any person or entity to occupy or use all or any part of the Site, other than leases to residential tenants in the ordinary course of business nor may it contract or agree to do any of the same, without the prior written approval of OCII, which approval shall not be unreasonably withheld or delayed. Notwithstanding anything contained herein to the contrary, Tenant may sell, assign, convey, sublease or transfer any or all
of its interests in and to this Ground Lease to AMCAL Multi-Housing Two LLC, or to an
affiliate, and may change, assign, acquire, or liquidate partnership interests in Tenant, as
permitted under Article 49 of this Lease.

14.02 Assignment, Sublease or Other Conveyance by OCII

The parties acknowledge that (i) any sale, assignment, transfer or conveyance of all or
any part of OCII’s interest in the Site, the Improvements, or this Ground Lease, is subject to this
Ground Lease, and (ii) following completion of the Improvements, OCII intends to transfer its
interest in the Site, the Improvements and the Ground Lease to the City or a nonprofit entity
owned or controlled by the City. OCII will require that any purchaser, assignee or transferee
expressly assume all of the obligations of OCII under this Ground Lease by a written instrument
recordable in the Official Records of the City and to pay any taxes, fees and/or assessment
associated with any such transfer. This Ground Lease shall not be affected by any such sale, and
Tenant shall attorn to any such purchaser or assignee. In the event that OCII intends to sell all or
any part of the Site to a party other than the City or a nonprofit entity owned or controlled by the
City, OCII shall notify Tenant of the proposed terms of such sale not later than ninety (90) days
before the anticipated close of escrow. Tenant shall have sixty (60) days from the giving of such
notice to exercise a right of first refusal to purchase the Site on the same terms and conditions of
such proposed sale, provided that any sale of OCII’s interest in the Site shall be subject to the
prior approval OCII’s Commission and Oversight Board (or, if the City is selling its interest in
the Site, then any such sale will be subject to the prior approval of the City’s Board of
Supervisors and Mayor).

ARTICLE 15: TAXES

Tenant agrees to pay, or cause to be paid, prior to delinquency to the proper authority,
any and all valid taxes, assessments and similar charges on the Site which become effective after
the execution of this Ground Lease, including all taxes levied or assessed on the possession, use
or occupancy, as distinguished from the ownership, of the Site. Tenant shall not permit any such
taxes, charges or other assessments to become a defaulted lien on the Site or the Improvements
thereon; provided, however, that in the event any such tax, assessment or similar charge is
payable in installments, Tenant may make, or cause to be made, payment in installments; and,
provided further, that Tenant may contest the legal validity or the amount of any tax, assessment
or similar charge, through such proceedings as Tenant considers necessary or appropriate, and
Tenant may defer the payment thereof so long as the validity or amount thereof shall be
contested by Tenant in good faith and without expense to OCII. In the event of any such contest,
Tenant shall protect, defend and indemnify OCII against all loss, cost, expense or damage
resulting there from, and should Tenant be unsuccessful in any such contest, Tenant shall
forthwith pay, discharge, or cause to be paid or discharged, such tax, assessment or other similar
charge. OCII shall furnish such information as Tenant shall reasonably request in connection
with any such contest provided that such information is otherwise available to the public. OCII
hereby consents to Tenant applying for and obtaining any applicable exemptions from taxes or
assessments levied on the Site, or on Tenant’s interest in the Site and/or the Improvements.
OCII, at no cost thereto, shall cooperate with Tenant in applying for, and obtaining, any such
exemption.

Tenant shall have no obligation under this Section prior to the Effective Date, including
but not limited to any taxes, assessments or other charges levied against the Property which are
incurred prior to the Effective Date.
ARTICLE 16: UTILITIES

From and after the Effective Date, Tenant shall procure water and sewer service from the City and electricity, telephone, natural gas and any other utility service from the City or utility companies providing such services, and shall pay all connection and use charges imposed in connection with such services. From and after the Effective Date, as between OCII and Tenant, Tenant shall be responsible for the installation and maintenance of all facilities required in connection with such utility services to the extent not installed or maintained by the City or the utility providing such service.

ARTICLE 17: MAINTENANCE

From and after the Effective Date, Tenant, at all times during the term hereof, shall maintain or cause to be maintained the Premises in good condition and repair similar to other affordable housing developments in the Redevelopment Plan project area to the reasonable satisfaction of OCII, including the exterior, interior, substructure and foundation of the Improvements and all fixtures, equipment and landscaping from time to time located on the Site, or any part thereof. From and after the Effective Date, OCII shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatsoever to the Site, or any buildings or improvements now or hereafter located thereon.

ARTICLE 18: LIENS

Tenant shall use its best efforts to keep the Site free from any liens arising out of any work performed or materials furnished by itself or its subtenants. In the event that Tenant shall not cause the same to be released of record or bonded around within twenty (20) days following written notice from OCII of the imposition of any such lien, OCII shall have, in addition to all other remedies provided herein and by law, the right but not the obligation to cause the same to
be released by such means as it shall deem proper, including payment of the claim giving rise to
such lien. All sums paid by OCII for such purpose, and all reasonable expenses incurred by it in
connection therewith, shall be payable to OCII by Tenant on demand; provided, however, Tenant
shall have the right, upon posting of an adequate bond or other security, to contest any such lien,
and OCII shall not seek to satisfy or discharge any such lien unless Tenant has failed so to do
within ten (10) days after the final determination of the validity thereof. In the event of any such
contest, Tenant shall protect, defend, and indemnify OCII against all loss, cost, expense or
damage resulting therefrom. The provisions of this Section shall not apply prior to the Effective
Date or to any liens arising from any activity that occurred before the Effective Date.

ARTICLE 19: GENERAL REMEDIES

19.01 Application of Remedies

The provisions of this Article 19 shall govern the parties' remedies for breach of this
Ground Lease.

19.02 Notice and Cure Rights for Tenant and Permitted Limited Partner

19.02(a) OCII may not exercise its remedies under this Ground Lease for a
default by the Tenant unless and until: (i) OCII has given written notice of any such default, in
accordance with the notice provisions of Article 39, to Tenant and Permitted Limited Partners
who have requested notice as set forth below (“Permitted Limited Partners”), and (ii) such
default has not been cured within sixty (60) days or such longer period as may be set forth
herein, following the giving of such notice or, if such default cannot be cured within such 60-day
period, such longer period, such longer period as is reasonably necessary to cure such default,
provided that such cure has been commenced within such 60-day period and is being prosecuted
diligently to completion. If the Tenant or a Permitted Limited Partner cannot cure a default due
to an automatic stay in Bankruptcy court then any cure period will be tolled during the pendency of such automatic stay.

19.02(b) OCII will not exercise its remedy to terminate this Ground Lease if the Permitted Limited Partner is attempting to cure the default and such cure requires removal a general partner of Tenant, so long as the Permitted Limited Partner is proceeding diligently to said general partner in order to effect a cure of such default.

19.02(c) Unless otherwise provided for herein, any limited partner wishing to become a Permitted Limited Partner other than the Permitted Limited Partner identified in Section 39 must provide five (5) days written notice to OCII in accordance with the notice provisions of this Ground Lease, setting forth a notice address and providing a copy of such notice to the Tenant and all of the Tenant’s partners. Such limited partner will become a Permitted Limited Partner upon the expiration of the five-day period. A limited partner will not be afforded the protections of this section with respect to any default occurring prior to the time such limited partner becomes a Permitted Limited Partner.

19.03 Breach by OCII

If Tenant believes a material breach by OCII of this Ground Lease has occurred, Tenant shall first notify OCII in writing of the purported breach, giving OCII sixty (60) days from receipt of such notice to cure such breach. In the event OCII does not then cure or, if the breach is not reasonably susceptible to cure within that sixty (60) day period, begin to cure within sixty (60) days and thereafter diligently prosecute such cure to completion, then Tenant shall be afforded all of its rights at law or in equity by taking any or all of the following remedies: (i) terminating in writing this entire Ground Lease with the written consent of each Lender; (ii) prosecuting an action for damages; (iii) seeking specific performance of this Ground Lease; or
(iv) any other remedy available at law or equity.

19.04 Breach by Tenant

19.04(a) Default by Tenant

Subject to the notice and cure rights under Section 19.02, the following events each constitute a default by Tenant:

(1) Tenant fails to comply with the Permitted Uses and Occupancy Restrictions set forth in Section 9.02;

(2) Tenant voluntarily or involuntarily assigns, transfers or attempts to transfer or assign this Ground Lease or any rights in this Ground Lease, or in the Improvements, except as permitted by this Ground Lease or otherwise with the approval of OCII;

(3) From and after the Effective Date, Tenant, or its successor in interest, shall fail to pay real estate taxes or assessments on the Premises or any part thereof prior to delinquency for which it is responsible to pay pursuant to the Ground Lease, or shall place thereon any unauthorized encumbrance or lien unauthorized by this Ground Lease, or shall suffer any levy or attachment to be made, or any material supplier’s or mechanic’s lien or any other unauthorized encumbrance or lien to attach, and such taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged within the time period provided in Article 18; provided, however, that Tenant shall have the right to contest any tax or assessment pursuant to Article 15 and Article 18 and, upon the posting of an adequate bond or other security, to contest any such lien or encumbrance. In the event of any such contest, Tenant shall protect, indemnify and hold OCII harmless against all losses and damages, including reasonable attorneys’ fees and costs resulting therefrom;

(4) Tenant shall be adjudicated bankrupt or insolvent or shall make a transfer
in defraud of creditors, or make an assignment for the benefit of creditors, or bring or have
brought against Tenant any action or proceeding of any kind under any provision of the Federal
Bankruptcy Act or under any other insolvency, bankruptcy or reorganization act and, in the event
such proceedings are involuntary, Tenant is not dismissed from the same within ninety (90) days
thereafter; or, a receiver is appointed for a substantial part of the assets of Tenant and such
receiver is not discharged within ninety (90) days;

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

(6) Tenant fails to pay any portion of Annual Rent or any other payments due
to Landlord under this Ground Lease or due to Landlord pursuant to the Off-Site Improvements
Loan when due in accordance with the terms and provisions of this Ground Lease.

19.04(b) Notification and OCII Remedies

Upon the happening of any of the events described in Section 19.04(a) above, and
prior to exercising any remedies, OCII shall notify Tenant, Permitted Limited Partner, and each
Lender in writing of the Tenant’s purported breach, failure or act in accordance with the notice
provisions of Article 38, giving Tenant sixty (60) days from receipt of such notice to cure such
breach, failure or act. In the event Tenant does not cure or, if the breach, failure or act is not
reasonably susceptible to cure within that sixty (60) day period, begin to cure within sixty (60)
days and thereafter diligently prosecute such cure to completion, then, subject to the rights of any
Lender and subject to Section 19.02 and Article 26, OCII thereafter shall be afforded all of its
rights at law or in equity, including any or all of the following remedies: (1) terminating in
writing this Ground Lease; (2) prosecuting an action for damages; or (3) seeking specific
performance of this Ground Lease.

Notwithstanding the foregoing, prior to the expiration of the so-called 15-year tax
credit compliance period for the Project OCII may only terminate this Ground Lease for a default
by Tenant under Section 19.04(a)(6) above.

ARTICLE 20: DAMAGE AND DESTRUCTION

20.01 Insured Casualty

From and after the Effective Date, if the Improvements or any part thereof are damaged
or destroyed by any cause covered by any policy of insurance required to be maintained by
Tenant hereunder, Tenant shall promptly commence and diligently complete the restoration of
the Improvements as nearly as possible to the condition thereof prior to such damage or
destruction; provided, however, that if more than fifty percent (50%) of the Improvements are
destroyed or are so damaged by fire or other casualty and if the insurance proceeds do not
provide at least ninety percent (90%) of the funds necessary to accomplish the restoration,
Tenant, with the written consent of Lender(s), may terminate this Ground Lease within thirty
(30) days after the later of (i) the date of such damage or destruction, or (ii) the date on which
Tenant is notified of the amount of insurance proceeds available for restoration. In the event
Tenant is required or elects to restore the Improvements, all proceeds of any policy of insurance
required to be maintained by Tenant under this Ground Lease shall, subject to any applicable
rights of Lenders, be used by Tenant for that purpose and Tenant shall make up from its own
funds or obtain additional financing as reasonably approved by OCII any deficiency between the
amount of insurance proceeds available for the work of restoration and the actual cost thereof. In
the event Tenant elects to terminate this Ground Lease pursuant to its right to do so under this
Section 20.01, or elects not to restore the Improvements, the insurance proceeds shall be divided
among OCII, Tenant and any Lender in accordance with the provisions of Section 20.03.

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

20.03 Distribution of the Insurance Proceeds

In the event of an election by Tenant to terminate and surrender as provided in either Sections 20.01 or 20.02, the priority and manner for distribution of the proceeds of any insurance policy required to be maintained by Tenant hereunder shall be as follows:

(a) First to the Lenders, in order of their priority, to control, disburse or apply to any
outstanding loan amounts in accordance with the terms their respective Leasehold Mortgages;

(b) Second, to pay for the cost of removal of all debris from the Site or adjacent and underlying property, and for the cost of any work or service required by any statute, law, ordinance, rule, regulation or order of any federal, state or local government, or any agency or official thereof, for the protection of persons or property from any risk, or for the abatement of any nuisance, created by or arising from the casualty or the damage or destruction caused thereby;

(c) Third, to compensate OCII for any diminution in the value (as of the date of the damage or destruction) of the Site as a raw development site caused by or arising from the damage or destruction; and

(d) The remainder to Tenant.

20.04 Clean Up of Housing Site

In the event the Tenant terminates this Ground Lease pursuant to the provisions of Sections 20.01 or 20.02 and the proceeds of any insurance policy are insufficient to pay the clean-up and other costs described in Article 20.03(b), Tenant shall have the obligation to pay the portion of such costs not covered by the insurance proceeds.

ARTICLE 21: INDEMNIFICATION

21.01 General Indemnification

OCII shall not in any event whatsoever be liable for any injury or damage to any person happening on or about the Site for any injury or damage to the Premises, or to any property of Tenant, or to any property of any other person, entity or association on or about the Site, unless arising from OCII’s breach of this Agreement, gross negligence, willful misconduct or illegal acts of OCII or any of its commissioners, officers, agents or employees. Tenant shall defend,
hold harmless and indemnify OCII and its respective commissioners, officers, agents, and 
employees, of and from all claims, loss, damage, injury, actions, causes of action and liability of 
every kind, nature and description directly or indirectly arising from its tenancy, its use of the 
Site and any of its operations activities thereon or connected thereto; provided, however, that this 
Article 21 shall not be deemed or construed to and shall not impose an obligation to indemnify 
and save harmless OCII or any of its commissioners, officers, agents or employees from any 
claim, loss, damage, liability or expense, of any nature whatsoever, arising from or in any way 
related to or connected with any breach of this Agreement, willful misconduct, gross negligence 
or illegal acts of the person (or its affiliates or employees) or entity seeking to be defended, 
indemnified or held harmless.

21.02 Hazardous Materials –Indemnification

21.02(a) From and after the Effective Date, Tenant shall indemnify, defend, 
and hold OCII, and its commissioners, officers, agents and employees (individually, an 
"Indemnified Party" and collectively, the "Indemnified Parties") harmless from and against 
any and all losses, costs, claims, damages, liabilities, and causes of action of any nature 
whatsoever (including, without limitation, the reasonable fees and disbursements of counsel and 
engineering consultants) incurred by or asserted against any Indemnified Party in connection 
with, arising out of, in response to, or in any manner relating to violation of any Environmental 
Law, or any Release, threatened Release and any condition of pollution, contamination or 
Hazardous Substance-related nuisance on, under or from the Site which violation, Release or 
threatened Release occurs subsequent to the Effective Date except, to the extent such violation, 
Release, threatened Release, condition, contamination or nuisance is caused, contributed to or 
exacerbated by an Indemnified Party. The foregoing indemnification obligations shall not
include any such obligation as it relates to Hazardous Substance that exists on the Site on the Effective Date except to the extent that (a) Tenant contributes to, disturbs or exacerbates any such Hazardous Substance, or (b) the removal of any such Hazardous Substance is required by Tenants activities on or around the Site. Tenant shall be responsible for the proper disposal, in accordance with all applicable laws and regulations, of any Hazardous Substance that must be removed or disturbed as a result of Tenant’s activities on the Site.

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

(i) "Hazardous Substance" shall have the meaning set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended as of the date of this Agreement, 42 U.S.C. 9601(14), and in addition shall include, without limitation, petroleum (including crude oil or any fraction thereof) and petroleum products, asbestos, asbestos-containing materials, polychlorinated biphenyls ("PCBs"), PCB-containing materials, all hazardous substances identified in the California Health & Safety Code 25316 and 25281(d), all chemicals listed pursuant to the California Health & Safety Code 25249.8, and any substance deemed a hazardous substance, hazardous material, hazardous waste, or contaminant under Environmental Law. The foregoing definition shall not include substances which occur naturally on the Site or commercially reasonable amounts of hazardous materials used in the ordinary course of construction and operation of a mixed use development.

(ii) "Environmental Law" shall include all federal, state and local laws, regulations and ordinances governing hazardous waste, wastewater discharges, drinking water, air emissions, Hazardous Substance releases or reporting requirements, Hazardous Substance use or storage, and employee or community right-to-know requirements related to the work being performed under this Agreement.
(iii) "Release" shall mean any spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment, including the abandonment or discharging of barrels, containers, and other closed receptacles containing any Hazardous Substance.

ARTICLE 22: INSURANCE

22.01 Insurance

Subject to approval by the City's Risk Manager of the insurers and policy forms Tenant must obtain and maintain, or caused to be maintained, the insurance and bonds as set forth below throughout the Compliance Term of this Agreement at no expense to the OCII:

1. Tenant, Contractors.

   (a) to the extent Tenant or its contractors and subcontractors have "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars ($1,000,000) each accident;

   (b) commercial general liability insurance, with limits set forth below, combined single limit for bodily injury and property damage, including coverage for contractual liability; personal injury; fire damage legal liability; advertisers' liability; owners' and contractors' protective liability; broad form property damage; explosion, collapse and underground (XCU); products and completed operations, as follows:

      (i) not less than One Million Dollars ($1,000,000) combined single limit per occurrence and Two Million Dollars ($2,000,000) annual aggregate limit before the start of demolition/construction if the Site is unoccupied;

      (ii) not less than Five Million Dollars ($5,000,000) combined single limit per occurrence and Ten Million Dollars ($10,000,000) annual aggregate limit during demolition/construction and occupancy of the Site/ongoing operations of the Project;

   (c) business automobile liability insurance, with limits not less than One Million Dollars ($1,000,000) each occurrence, combined single limit for bodily injury and property damage, hired and non-owned auto coverage, as applicable;

   (d) professional liability insurance for all architects employed in connection with the Project, with limits not less than Two Million Dollars ($2,000,000) (or, in the case of
any other professionals, $1,000,000) each claim and Four Million Dollars ($4,000,000) annual aggregate limit for architects and Two Million ($2,000,000) annual aggregate for any other professionals with respect to negligent acts, errors or omissions in connection with professional services to be provided in connection with the Project. Any deductible over Fifty Thousand Dollars ($50,000) each claim must be reviewed by Risk Management; and

(e) crime policy or fidelity bond covering Tenant's officers and employees against dishonesty with respect to the Funds, in the amount of Seventy Five Thousand Dollars ($75,000) each loss, with any deductible not to exceed Five Thousand Dollars ($5,000) each loss, including the OCII as additional obligee or loss payee.

(f) Pollution Liability and/or Asbestos Pollution Liability: In connection with any entry or activity on the Premises that involves disturbance of soil, groundwater, lead-based paint or asbestos containing materials (“Pollution Work”), AMCAL shall obtain, or require the Contractors or Subcontractors performing any Pollution Work to obtain, the following Pollution Liability insurance coverage at its sole cost and expense. Pollution Liability and/or Asbestos Pollution Liability applicable to the work being performed, with a limit no less than $1,000,000 per claim or occurrence and $2,000,000 aggregate per policy period of one year, this coverage shall be endorsed to include Non-Owned Disposal Site coverage.

2. Property Insurance. Tenant must maintain, or cause its contractors and property managers, as appropriate for each, to maintain, insurance and bonds as follows:

(a) during the course of any construction, builders' risk insurance, special form coverage, excluding earthquake and flood, for one hundred percent (100%) of the replacement value of all completed improvements and OCII property in the care, custody and control of Tenant or its contractor, including coverage in transit and storage off-site, with a deductible not to exceed Ten Thousand Dollars ($10,000) each loss, including OCII and all subcontractors as loss payees;

(b) property insurance, special form coverage, excluding terrorism, earthquake and flood, but including vandalism and malicious mischief, for one hundred percent (100%) of the replacement value of all furnishings, fixtures, equipment, improvements, alterations and property of every kind located on or appurtenant to the Site, including coverage for loss of rental income due to an insured peril for twelve (12) months, with a deductible not to exceed Twenty Five Thousand Dollars ($25,000) each loss, including OCII as a named insured;
(c) boiler and machinery insurance, comprehensive form, in the amount of replacement value of all insurable objects, with any deductible not to exceed Ten Thousand Dollars ($10,000) each loss, including OCII as a named insured; and

(d) during construction and/or rehabilitation, performance and payment bonds of contractors, each in the amount of one hundred percent (100%) of contract amounts, naming OCII and Tenant as dual obligees, or other completion security approved by OCII in its sole discretion.

3. Non-Residential/Commercial Space. Tenant must require that all nonresidential tenants' liability insurance policies include Tenant and OCII as additional insureds, as their respective interests may appear. Throughout the term of any lease of Commercial Space in the Project, Tenant must require commercial tenants to maintain insurance as follows:

(a) to the extent the tenant has "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars ($1,000,000) each accident;

(b) commercial general liability insurance, with limits not less than One Million Dollars ($1,000,000) each occurrence, combined single limit for bodily injury and property damage, including coverage for contractual liability; personal injury; advertisers' liability; including coverage for loss of income due to an insured peril for twelve (12) months; owners' and contractors' protective; broadform property damage; explosion, collapse and underground (XCU); products and completed operations coverage;

(c) business automobile liability insurance, with limits not less than One Million Dollars ($1,000,000) each occurrence, combined single limit for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable;

(d) with respect to any tenant who has (or is required by Law to have) a liquor license and who is selling or distributing alcoholic beverages and/or food products on the leased premises, to maintain liquor and/or food products liability coverage with limits not less than One Million Dollars ($1,000,000), as appropriate;

(e) special form coverage insurance, including vandalism and malicious mischief, in the amount of 100% of the full replacement cost thereof, covering all furnishings, fixtures, equipment, leasehold improvements, alterations and property of every kind of the tenant and of persons claiming through the tenant; and

(a) General and automobile liability policies of Tenant, contractors, commercial tenants and property managers must include OCII, including its Boards, commissions, officers, agents and employees, as an additional insured by endorsement acceptable to OCII.

(b) All policies required by this Agreement must be endorsed to provide no less than thirty (30) days' written notice to OCII before cancellation or intended non-renewal is effective.

(c) With respect to any property insurance, Tenant hereby waives all rights of subrogation against OCII to the extent of any loss covered by Tenant's insurance, except to the extent subrogation would affect the scope or validity of insurance.

(d) Approval of Tenant's insurance by OCII will not relieve or decrease the liability of Tenant under this Agreement.

(e) Any and all insurance policies called for herein must contain a clause providing that OCII and its officers, agents and employees will not be liable for any required premium.

(f) OCII reserves the right to require an increase in insurance coverage in the event OCII determines that conditions show cause for an increase, unless Tenant demonstrates to OCII’s satisfaction that the increased coverage is financially infeasible, commercially unreasonable or generally unavailable to Tenant.

(g) All liability policies must provide that the insurance is primary to any other insurance available to the additional insureds with respect to claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought and that an act of omission of one of the named insureds that would void or otherwise reduce coverage will not void or reduce coverage as to any other insured, but the inclusion of more than one insured will not operate to increase the insurer's limit of liability.
(h) Any policy in a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs are included in the general annual aggregate limit must be in amounts that are double the occurrence or claims limits specified above.

(i) All claims based on acts, omissions, injury or damage occurring or arising in whole or in part during the policy period must be covered. If any required insurance is provided under a claims-made policy, coverage must be maintained continuously for a period ending no less than three (3) years after recordation of a notice of completion for builder's risk or the Compliance Term for general liability and property insurance.

(j) Tenant must provide OCII with copies of insurance certificates and endorsements for each required insurance policy.

ARTICLE 23: COMPLIANCE WITH SITE-RELATED AND LEGAL REQUIREMENTS

23.01 Compliance with Legal Requirements

From and after the Effective Date, Tenant shall at its cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, with the requirements of any board of fire underwriters or other similar body now or hereafter constituted, with any direction or occupancy certificate issued pursuant to any law by any public officer or officers, insofar as any thereof relates to or affects the condition, use or occupancy of the Site. In the event Tenant contests any of the foregoing, Tenant shall not be obligated to comply therewith to the extent that the application of the contested law, statute, ordinance, rule, regulation or requirement is stayed by the operation of law or administrative or judicial order and Tenant indemnifies OCII against all loss, cost, expense or damage resulting from noncompliance.

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

Tenant understands that its construction of the Improvements on the Premises and development of the Project will require approval, authorization or permit by governmental agencies with jurisdiction, which may include the City’s Planning Commission and/or Zoning Administrator and the Department of Building Inspection. Tenant must use good faith efforts to obtain and will be solely responsible for obtaining any such approvals required for the Project in the manner set forth in this Section. Tenant will not seek any regulatory approval without first obtaining OCII’s approval, which approval shall not be unreasonably withheld or delayed.

Throughout the permit process for any regulatory approval, Tenant will consult and coordinate with OCII in Tenant’s efforts to obtain permits. OCII will cooperate reasonably with Tenant in its efforts to obtain permits; provided, however, Tenant may not agree to the imposition of conditions or restrictions in connection with its efforts to obtain a permit from any other regulatory agency if OCII is required to be a co-permittee under the permit or the conditions or restrictions could create any financial or other material obligations on the part of OCII whether on or off of the Premises, unless in each instance OCII has approved the conditions previously in writing and in OCII’s reasonable discretion. No approval by OCII will limit Tenant’s obligation...
to pay all the costs of complying with conditions under this Section. Tenant must bear all costs associated with applying for and obtaining any necessary regulatory approval, as well as any fines, penalties or corrective actions imposed as a result of Tenant’s failure to comply with the terms and conditions of any regulatory approval.

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

ARTICLE 24: ENTRY

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

(i) to inspect the work being performed by Tenant in developing the Project.

(ii) to determine whether the Premises is in good condition and to conduct non-invasive inspections of the Premises (and any soil borings or other Hazardous Materials Investigations with prior notice to Tenant if OCII has a reasonable basis to believe that a Release may have occurred);
(iii) to determine whether Tenant is in compliance with its Ground Lease obligations and to cure or attempt to cure any Tenant default;

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

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

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

(b) OCII will not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of OCII’s entry onto the Premises, except to the extent damage arises out of the negligence, willful misconduct or illegal acts of OCII or its agents. OCII will be responsible for any losses resulting from its gross negligence, willful misconduct or illegal acts and will repair any resulting damage promptly.

(d) Tenant will not be entitled to any abatement in Annual Rent if OCII exercises any rights reserved in this Section, subject to subsection (b) above.

(e) OCII will use its reasonable good faith efforts to conduct any activities on the Premises allowed under this Section in a manner that, to the extent practicable, will minimize any disruption to Tenant’s use hereunder and to comply with any reasonable job and/or site safety rules established by Tenant in writing and applied consistently to all.

ARTICLE 25: MORTGAGE FINANCING

25.01 No Encumbrances Except for Development Purposes
Notwithstanding any other provision of this Ground Lease and subject to the prior written consent of OCII in the form attached hereto as Attachment 3, which consent shall not be unreasonably withheld or delayed, Leasehold Mortgages are permitted to be placed upon the Leasehold Estate so long as said Leasehold Mortgage is securing only the obligations of the Tenant in connection with the Project and is not securing the obligation of any person other than the Tenant and so long as any funds loaned to Tenant and secured by a Leasehold Mortgage are used for the operation, maintenance, construction, renovation or refinancing of the Improvements and other costs incurred or to be incurred by Tenant under this Ground Lease.

25.02 Holder Not Obligated to Construct

The holder of any mortgage, deed of trust or other security interest authorized by Section 25.01 (“Holder” or “Lender”), including the successors or assigns of such Holder, is not obligated to complete any construction of the Improvements or to guarantee such completion; nor shall any covenant or any other provision of this Ground Lease be construed so to obligate such Holder. However, in the event the Holder does undertake to complete or guarantee the completion of the construction of the Improvements, subject to Section 26.06, nothing in this Ground Lease shall be deemed or construed to permit or authorize any such Holder or its successors or assigns to devote the Site or any portion thereof to any uses, or to construct any Improvements thereon, other than those uses or Improvements authorized under Section 9.02 subject to any reasonable modifications in plans proposed by any Holder or its successors in interest proposed for the viability of the Project, subject to the approval of OCII which approval shall not unreasonably withheld.

25.03 Failure of Holder to Complete Construction

In any case where twelve (12) months after assumption of obligations pursuant to Section
25.02 above, a Lender, having first exercised its option to complete the construction, has not
proceeded diligently with completion of the construction, OCII shall be afforded the rights
against such Holder it would otherwise have against Tenant under this Ground Lease for events
or failures occurring after such assumption; subject to any extensions of time granted pursuant to
Section 10.15 of this Agreement.

25.04  Default by Tenant and OCII's Rights

25.04(a)  Right of OCII to Cure a Default or Breach by Tenant under a
Leasehold Mortgage

In the event of a default or breach by Tenant in or of its obligations under any
Leasehold Mortgage, and Tenant’s failure to timely commence or diligently prosecute cure of
such default or breach, OCII may, at its option, cure such breach or default at any time prior to
one hundred ten (110) days after the date on which the Lender files a notice of default. In such
event, OCII shall be entitled to reimbursement from Tenant of all costs and expenses reasonably
incurred by OCII in curing the default or breach. OCII shall also be entitled to a lien upon the
Leasehold Estate or any portion thereof to the extent of such costs and disbursements that are not
reimbursed by Tenant. Any such lien shall be subject to the lien of any then existing Leasehold
Mortgage authorized by this Ground Lease, including any lien contemplated because of advances
yet to be made. After ninety (90) days following the date of Lender filing a notice of default and
expiration of all applicable cure periods of Tenant under the terms of the applicable loan
documents, OCII shall also have the right to assign Tenant’s interest in the Ground Lease to
another entity, subject to such Lender’s and Permitted Limited Partner’s written consent, but
which may be conditioned, among other things, upon the assumption by such other entity of all
obligations of the Tenant under the Leasehold Mortgage.
25.04(b) Notice of Default to OCII

Tenant shall use its best efforts to require Lender to give OCII prompt written notice of any such default or breach and each Leasehold Mortgage shall so provide and shall also contain OCII’s right to cure as above set forth.

25.05 Cost of Mortgage Loans to be Paid by Tenant

Tenant covenants and affirms that it shall bear all of the costs and expenses in connection with (i) the preparation and securing of any Leasehold Mortgage, (ii) the delivery of any instruments and documents and their filing and recording, if required, and (iii) all taxes and charges payable in connection with any Leasehold Mortgage.

ARTICLE 26: PROTECTION OF LENDER

26.01 Notification to OCII

Promptly upon the creation of any Leasehold Mortgage and as a condition precedent to the existence of any of the rights set forth in this Article 26, each Lender shall give written notice to OCII of the Lender's address and of the existence and nature of its Leasehold Mortgage. Execution of Attachment 3 shall constitute OCII’s acknowledgement of Lender’s having given such notice as is required to obtain the rights and protections of a Lender under this Ground Lease.

26.02 Lender’s Rights to Prevent Termination

Each Lender shall have the right, but not the obligation, at any time prior to termination of this Ground Lease and without payment of any penalty other than the interest on unpaid rent, to pay all of the rents due hereunder, to effect any insurance, to pay any taxes and assessments, to make any repairs and improvements, to do any other act or thing required of Tenant hereunder, and to do any act or thing which may be necessary and proper to be done in the
performance and observance of the agreements, covenants and conditions hereof to prevent a
termination of this Ground Lease to the same effect as if the same had been made, done and
performed by Tenant instead of by Lender.

26.03 Lender's Rights When Tenant Defaults

Should any event of default under this Ground Lease occur, and not be cured within the
applicable cure period, OCII shall not terminate this Ground Lease nor exercise any other
remedy hereunder unless it first gives written notice of such event of default to Lender and:

(i) If such event of default is a failure to pay a monetary obligation of Tenant,
Lender shall have failed to cure such default within sixty (60) days from the date of written
notice from OCII to Lender; or

(ii) If such event of default is not a failure to pay a monetary obligation of
Tenant, Lender shall have failed, within sixty (60) days of receipt of said written notice, either
(a) to remedy such default; or (b) to obtain title to Tenant's interest in the Site in lieu of
foreclosure; or (c) to commence foreclosure or other appropriate proceedings in the nature
thereof (including the appointment of a receiver) and thereafter diligently prosecute such
proceedings to completion, in which case such event of default shall be remedied or deemed
remedied in accordance with Article 26.04 below.

All rights of OCII to terminate this Ground Lease as the result of the occurrence of any
such event of default shall be subject to, and conditioned upon, OCII having first given Lender
written notice of such event of default and Lender having failed to remedy such default or
acquire Tenant's Leasehold Estate created hereby or commence foreclosure or other appropriate
proceedings in the nature thereof as set forth in and within the time specified by this Section
26.03, and upon the Permitted Limited Partners having failed to proceed as permitted under
Sections 19.02(b) or 26.06(iv).

26.04 Default Which Cannot be Remedied by Lender

Any event of default under this Ground Lease which in the nature thereof cannot be remedied by Lender shall be deemed to be remedied if:

(i) within sixty (60) days after receiving notice from OCII setting forth the nature of such event of default, or prior thereto, Lender shall have acquired Tenant's Leasehold Estate created hereby or shall have commenced foreclosure or other appropriate proceedings in the nature thereof;

(ii) Lender shall diligently prosecute any such proceedings to completion;

(iii) Lender shall have fully cured any event of default arising from failure to pay or perform any monetary obligation in accordance with the terms of this Ground Lease, and

(iv) after gaining possession of the Improvements, Lender shall diligently proceed to perform all other obligations of Tenant as and when the same are due in accordance with the terms of this Ground Lease.

26.05 Court Action Preventing Lender's Action

If Lender is prohibited by any process or injunction issued by any court or by reason of any action by any court having jurisdiction of any bankruptcy or insolvency proceeding involving Tenant from commencing or prosecuting foreclosure or other appropriate proceedings in the nature thereof, the times specified in Sections 26.03 and 26.04 above for commencing or prosecuting such foreclosure or other proceedings shall be extended for the period of such prohibition. If this Ground Lease is terminated or rejected by Tenant in bankruptcy, OCII agrees to enter into a new ground lease with the Lender on the same terms set forth in this Ground Lease.
26.06 Lender’s Rights to Record, Foreclose and Assign

OCII hereby agrees with respect to any Leasehold Mortgage, that

(i) the Lender may cause same to be recorded and enforced, and upon
foreclosure, sell and assign the Leasehold Estate created hereby to an assignee from whom it
may accept a purchase price; subject, however, to Lender’s first securing written approval from
OCII, which approval shall not be unreasonably withheld, and if the Subsequent Owner has
elected to maintain the use restrictions of Article 9, said Subsequent Owner shall be controlled
by a California nonprofit public benefit corporation exempt from tax under Section 501(c)(3) of
the Internal Revenue Code such that the Premises receive an exemption from state property taxes
as provided under Section 214 of the California Revenue and Taxation Code (to the extent such
exemption is then generally available). Lender, furthermore, may acquire title to the Leasehold
Estate in any lawful way, and if the Lender shall become the assignee, may sell and assign said
Leasehold Estate subject to OCII approval, which shall not be unreasonably withheld, and to
OCII’s rights under Article 25;

(ii) each Subsequent Owner shall take said Leasehold Estate subject to all of
the provisions of this Ground Lease, and shall, so long as and only so long as it shall be the
owner of such estate, except as provided elsewhere in this Ground Lease, assume all of the
obligations of Tenant under this Ground Lease; provided, however, that, subject to the rent
provisions of Section 26.07 below, the Subsequent Owner may operate and maintain the sixty
(60) Residential Units without any limitations on the rents charged or the income of the
occupants thereof;

(iii) OCII shall mail or deliver to any Lender which has an outstanding
Leasehold Mortgage a duplicate copy of all notices which OCII may from time to time give to
Tenant pursuant to this Ground Lease; and

(iv) any Permitted Limited Partner of Tenant shall have the same rights as any
Lender under Sections 26.02, 26.03, and 26.06(iii), and any reference to a Lender in said section
shall be deemed to include such limited partners; provided, however, that the rights of such
limited partners shall be subordinate to the rights of any Lender.

26.07 Ground Lease Rent After Lender Foreclosure or Assignment

From and after the time that the Subsequent Owner acquires title to the Leasehold Estate,
Annual Rent shall be set as follows:

(a) Any accrued Annual Rent at the time of foreclosure shall be forgiven by
OCII, and shall not remain an obligation of the Lender, its assignee, or the Subsequent Owner.
Subsequent to foreclosure or assignment of the Leasehold Estate to the Lender in lieu of
foreclosure, if the Lender continues to operate the Project subject to the use and occupancy
restrictions of Section 9.02, then Annual Rent otherwise due may, at the option of the Lender, be
deferred until the earlier of the date of the Lender’s sale or assignment of the Project to a
Subsequent Owner or the date that is sixty (60) days after Lender ceases to operate the Project in
accordance with such restrictions. All deferred Annual Rent shall accrue, with simple interest at
six percent (6%) per annum until paid.

(b) If the Subsequent Owner exercises its rights under Section 26.06(ii) to
operate the Project without being subject to Section 9.02, Annual Rent shall be set at the then fair
market rental value taking into account any affordability restrictions agreed to by the Subsequent
Owner, if any, and the Base Rent shall be increased to the new fair market rent pursuant to
Section 26.07(b) and the provisions of Section 6.02(g) shall be suspended; provided, however,
that OCII shall be entitled to reduce Annual Rent by any dollar amount (but not below zero) in
its sole discretion and, in such case, the Subsequent Owner will be required to reduce rent
charged to tenants on a dollar for dollar basis, with respect to such aggregate units occupied by
Very Low Income Households as OCII and the Subsequent Owner shall agree. The fair market
rental value shall be determined by a jointly-commissioned appraisal (instructions prepared
jointly by the Subsequent Owner and OCII, with each party paying one half of the appraiser’s
fee) that will include a market land valuation, as well as a market land lease rent level. Absent a
market land lease rent determination, the Annual Rent will be set at an amount equal to ten
percent (10%) of the then appraised market land value. If the parties cannot agree on the joint
appraisal instructions, either party may invoke a neutral third-party process to set the Annual
Rent at fair market rent in accordance with the then-prevailing practice for resolving similar rent
determination disputes in San Francisco or, in the event that there is no then-prevailing practice,
in accordance with the rules of the American Arbitration Association. Provided, however, that
after the neutral third party process, the Lender, in its sole discretion may rescind its written
notification of intent to not comply with Section 9.02 of this Ground Lease.

26.08  Permitted Uses After Lender Foreclosure

Notwithstanding the above, in the event of a foreclosure and transfer to a Subsequent
Owner, the Premises shall be operated in accordance with the uses specified in the building
permit with all addenda, as approved by the City’s Department of Building Inspection.

26.09  Preservation of Leasehold Benefits

Until such time as a Lender notifies OCII in writing that the obligations of the Tenant
under its loan documents have been satisfied, OCII agrees:

(a) Except for termination as a result of a default subject to the notice and cure
provisions contained in Article 26 of this Ground Lease, this Ground Lease shall not be
modified, terminated, subordinated, cancelled or surrendered in any manner other than by an
agreement in writing signed by all of the parties to this Ground Lease or their respective
successors-in-interest, and no such modification, termination, subordination, cancellation or
surrender shall be valid or effective without the prior written consent of each Lender (which will
not be unreasonably withheld or delayed) and may be conditioned upon the satisfaction of such
reasonable terms and conditions as each Lender may prescribe;

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

(c) That, if a Lender makes written request for the same within 15 days after Lender
receives written notice of termination of this Ground Lease, OCII will enter a new lease with
such Lender commencing on the date of termination of the Ground Lease and ending on the
normal expiration date of the Ground Lease, on substantially the same terms and conditions as
the Ground Lease and subject to the rent provisions set forth in Section 26.07, and with the same
priority as against any subleases or other interests in the Premises; provided that such Lender
cures all unpaid monetary defaults under the Ground Lease through the date of such termination;

(d) That OCII shall provide reasonable prior notice to each Lender of any proceedings
for adjustment or adjudication of any insurance or condemnation claim involving the Premises
and will permit each Lender to participate therein as an interested party.

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

26.11 OCII Bankruptcy

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

(b) OCII acknowledges that (i) the Tenant seeks to construct improvements on the Premises using proceeds of the loans provided by the Lenders, and (ii) it would be unfair to both the Tenant and the Lenders to sell the Premises free and clear of the leasehold. Therefore, OCII waives its right to sell OCII's fee interest in the Premises pursuant to section 363(f) of the Bankruptcy Code, free and clear of the leasehold interest under this Ground Lease.

(c) If a bankruptcy proceeding is filed by or on behalf of OCII, OCII agrees as follows: (i) the Tenant shall be presumed to have objected to any attempt by OCII to sell the fee interest free and clear of the leasehold under this Ground Lease; (ii) if Tenant does not so object, each Lender shall have the right to so object on its own behalf or on behalf of the Tenant; and (iii) in connection with any such sale, the Tenant shall not be deemed to have received adequate protection under section 363(e) of the Bankruptcy Code, unless it shall have received and paid over to each Lender outstanding balance of the obligations under its respective loan.

(d) OCII recognizes that the Lenders are authorized on behalf of the Tenant to vote, participate in or consent to any bankruptcy, insolvency, receivership or court proceeding concerning the leasehold interest under this Ground Lease.

ARTICLE 27: CONDEMNATION AND TAKINGS
27.01 Parties’ Rights and Obligations to be Governed by Agreement

If, during the term of this Ground Lease, there is any condemnation of all or any part of
the Site or any interest in the Leasehold Estate is taken by condemnation, the rights and
obligations of the parties shall be determined pursuant to this Article 27, subject to the rights of
any Lender.

27.02 Total Taking

If the Site is totally taken by condemnation, this Ground Lease shall terminate on the date
the condemnor has the right to possession of the Site.

27.03 Partial Taking

If any portion of the Site is taken by condemnation, this Ground Lease shall remain in
effect, except that Tenant may, with Lender’s written consent, elect to terminate this Ground
Lease if, in Tenant’s reasonable judgment, the remaining portion of the Improvements is
rendered unsuitable for Tenant's continued use of the Site. If Tenant elects to terminate this
Ground Lease, Tenant must exercise its right to terminate pursuant to this paragraph by giving
notice to OCII within thirty (30) days after OCII notifies Tenant of the nature and the extent of
the taking. If Tenant elects to terminate this Ground Lease as provided in this Section 27.03,
Tenant also shall notify OCII of the date of termination, which date shall not be earlier than
thirty (30) days nor later than six (6) months after Tenant has notified OCII of its election to
terminate; except that this Ground Lease shall terminate on the date the condemnor has the right
to possession of the Site if such date falls on a date before the date of termination as designated
by Tenant. If Tenant does not terminate this Ground Lease within such thirty (30) day notice
period, this Ground Lease shall continue in full force and effect.

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

27.05 Restoration of Improvements

If there is a partial taking of the Improvements and this Ground Lease remains in full force and effect pursuant to Section 27.03, Tenant may, subject to the terms of the Leasehold Mortgage, use the proceeds of the taking to accomplish all necessary restoration to the Improvements.

27.06 Award and Distribution

Any compensation awarded, paid or received on a total or partial condemnation of the Site or threat of condemnation of the Site shall belong to and be distributed in the following order:

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

(b) Second, to OCII and Tenant, each based on the value of their respective interests in the Premises (to the extent taken), together with interest thereon from the date of taking to the date of payment, and attorneys’ fees and costs to the extent awarded. The values of OCII’s and Tenant’s respective interests in the Premises shall be established by the same court of law that establishes the amount of the award, and the amount of the Award allocated to such interests shall be paid pari passu to the Agency and Tenant. Factors to be considered in determining the value of Tenant’s interest shall include, but not be limited to (a) the remaining Ground Lease
term, (b) the value of Tenant’s leasehold interest in the Premises, and (c) the projected rental
income payable to Tenant and the restrictions set forth in this Ground Lease.

27.07 Payment to Lenders

In the event the Improvements are subject to the lien of a Leasehold Mortgage on the date
when any compensation resulting from a condemnation or threatened condemnation is to be paid
to Tenant, such award shall be disposed of as provided in the Loan Documents of the Leasehold
Mortgage.

ARTICLE 28: ESTOPPEL CERTIFICATE

OCII or Tenant, as the case may be, shall execute, acknowledge and deliver to the other
and/or to Lender or a Permitted Limited Partner, promptly upon request (and in no event longer
than ten (10) days following receipt of the request), its certificate certifying (a) that this Ground
Lease is unmodified and in full force and effect (or, if there have been modifications, that this
Ground Lease is in full force and effect, as modified, and stating the modifications), (b) the
dates, if any, to which rent has been paid, (c) whether there are then existing any charges, offsets
or defenses against the enforcement by OCII or Tenant to be performed or observed and, if so,
specifying the same, and (d) whether there are then existing any defaults by Tenant or OCII in
the performance or observance by Tenant or OCII of any agreement, covenant or condition
hereof on the part of Tenant or OCII to be performed or observed and whether any notice has
been given to Tenant or OCII of any default which has not been cured and, if so, specifying the
same.

ARTICLE 29: QUITCLAIM

Upon expiration or sooner termination of this Ground Lease, Tenant shall surrender the
Premises to OCII and, at OCII’s request, shall execute, acknowledge, and deliver to OCII a good
and sufficient quitclaim deed with respect to any interest of Tenant in the Premises. Title to the Improvements shall vest automatically in OCII as provided in Article 13 herein.

**ARTICLE 30: EQUAL OPPORTUNITY**

In the selection of all contractors and professional consultants for the Project, Tenant must comply with OCII’s procurement requirements and procedures as described in the VLDDA. To the extent that the Project is subject to the requirements of Section 3 of the Housing and Community Development Act of 1968, Tenant agrees to comply with such requirements together with the San Francisco Section 3 program.

**ARTICLE 31: CERTIFICATE OF PREFERENCE PROGRAM**

Tenant agrees to comply with the requirements of OCII’s Certificate of Preference Program, as it may be amended from time to time, and as set forth on Attachment 4.

**ARTICLE 32: LABOR STANDARDS PROVISIONS**

Although the Parties acknowledge that the development of the Project is a private work of improvement, Tenant hereby agrees that any person performing labor in the construction of the Project and any Change to the Premises, which Tenant provides under this Ground Lease, shall be paid not less than the highest prevailing rate of wages as required by Section 6.22(E) of the San Francisco Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California. Tenant shall include in any contract for construction of the Project and Change a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Tenant shall require any contractor to provide, and shall deliver to OCII upon request, certified payroll reports with respect to all persons performing labor in the construction of the Project or any
Change to the Premises.

ARTICLE 33: INTENTIONALLY OMITTED

ARTICLE 34: INTENTIONALLY OMITTED

ARTICLE 35: NO PERSONAL LIABILITY

No natural person, including any commissioner, member, supervisor, officer, director, partner, employee, representative, or attorney of a Party, shall be personally liable to another Party in the event of any default or for any amount that may become due to a Party under this Ground Lease.

ARTICLE 36: ENERGY CONSERVATION

Tenant agrees that it will use its best efforts to maximize provision of, and incorporation of, both energy conservation techniques and systems and improved waste-handling methodology in the construction of the Improvements as shall be set forth in the Final Construction Documents.

ARTICLE 37: WAIVER

The waiver by OCII or Tenant of any term, covenant, agreement or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, agreement or condition herein contained, nor shall any custom or practice which may grow up between the parties in the administration of the terms hereof be construed to waive or to lessen the right of OCII or Tenant to insist upon the performance by the other in strict accordance with the said terms. The subsequent acceptance of rent or any other sum of money hereunder by OCII shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, agreement or condition of this Ground Lease, other than the failure of Tenant to pay the particular rent or other sum so accepted, regardless of OCII's knowledge of such
preceding breach at the time of acceptance of such rent or other sum.

ARTICLE 38: TENANT RECORDS

Upon reasonable notice (not less than two (2 Business Days) during normal business hours, and as often as OCII may deem reasonably necessary, there shall be made available to OCII and its authorized representatives at the offices of Tenant for examination all records, reports, data and information made or kept by Tenant regarding its operating and management of the Project. Nothing contained herein shall entitle OCII to inspect personal histories of residents or lists of donors or supporters or any other matter which is (i) confidential as a matter of law or (ii) legally privileged (provided, the Parties understand and agree that income eligibility requirements must be satisfied and that such information is not confidential or legally privileged). To the extent that it is permitted by law to do so, OCII will respect the confidentiality requirements of Tenant in regard to the lists furnished by Tenant pursuant to Article 7 hereof, of the names of occupants of the residential portion of the Site.

ARTICLE 39: NOTICES AND CONSENTS

All notices, demands, consents or approvals which may be or are required to be given by either party to the other hereunder shall be in writing and shall be deemed to have been fully given when delivered in person to such representatives of Tenant and OCII as shall from time to time be designated by the parties for the receipt of notices, or when deposited in the United States mail, certified, postage prepaid, or by express delivery service with a delivery receipt and addressed

if to Tenant at: AMCAL Shipyard Fund, L.P.
c/o AMCAL Multi-Housing Two LLC
30141 Agoura Road, Suite 100
Agoura Hills, CA 91301
Attn: Arjun Nagarkatti  
Telefacsimile: (818) 889-9158

With a copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP  
633 W. Fifth Street, 64th Floor  
Los Angeles, CA 90071  
Attn: Kyle Arndt, Esq.  
Telefacsimile: (213) 239-0410

With a copy to:

Bank of America, N.A.  
Community Development Banking Group  
5 Park Plaza, 5th Floor  
Irvine, CA 92614  
Attention: Casey Carpenter  
Casey.Carpenter@baml.com

And:

Banc of America CDC Special Holding Company, Inc.  
225 Franklin Street  
Boston, MA 02110  
Attention: Mark Nightingale  
Mark.nightingale@baml.com

And:

Buchalter Nemer PC  
1000 Wilshire Boulevard  
Suite 1500  
Los Angeles, CA 90017  
Attn: Michael A. Williamson, Esq.  
Facsimile: (213) 630-5799

if to the Agency at:  Mayor’s Office of Housing and Community Development  
One South Van Ness Avenue, 5th Floor  
San Francisco, California 94103  
Attn.: Executive Director

or to such other address with respect to either party as that party may from time to time
designate by notice to the other given pursuant to the provisions of this Article 38. Any notice
given pursuant to this Article 39 shall be effective on the date of delivery or the date delivery is
refused as shown on the delivery receipt.

ARTICLE 40: COMPLETE AGREEMENT

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

ARTICLE 41: HEADINGS

Any titles of the several parts and sections of this Ground Lease are inserted for
convenience of reference only and shall be disregarded in construing or interpreting any of its
provisions. "Paragraph" and "section" may be used interchangeably.

ARTICLE 42: SUCCESSORS AND ASSIGNS

This Ground Lease shall be binding upon and inure to the benefit of the successors and
assigns of OCII and Tenant and where the term "Tenant" or "OCII" is used in this Ground Lease,
it shall mean and include their respective successors and assigns; provided, however, that OCII
shall have no obligation under this Ground Lease to, nor shall any benefit of this Ground Lease
accrue to, any unapproved successor or assign of Tenant where OCII approval of a successor or
assign is required by this Ground Lease. At such time as OCII sells the Site to any third party,
OCII shall require such third party to assume all of OCII’s obligations hereunder arising on and
after the transfer in writing for the benefit Tenant and its successors and assigns.

ARTICLE 43: TIME

Time is of the essence in the enforcement of the terms and conditions of this Ground
Lease.
ARTICLE 44: PARTIAL INVALIDITY

If any provisions of this Ground Lease shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of this Ground Lease and all such other provisions shall remain in full force and effect.

ARTICLE 45: APPLICABLE LAW

This Ground Lease shall be governed by and construed pursuant to the laws of the State of California.

ARTICLE 46: ATTORNEYS’ FEES

If either of the parties hereto commences a lawsuit to enforce any of the terms of this Ground Lease, the prevailing party will have the right to recover its reasonable attorneys’ fees and costs of suit, including fees and costs on appeal, from the other party.

ARTICLE 47: EXECUTION IN COUNTERPARTS

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

ARTICLE 48: RECORDATION OF MEMORANDUM OF GROUND LEASE

This Ground Lease shall not be recorded, but a memorandum of this Ground Lease shall be recorded in the form attached hereto as Attachment 7. The parties shall execute the memorandum in form and substance as required by a title insurance company insuring Tenant's leasehold estate or the interest of any Leasehold Mortgagee, and sufficient to give constructive notice of the Ground Lease to subsequent purchasers and mortgagees.

ARTICLE 49: TRANSFER OF PARTNERSHIP INTERESTS IN TENANT

Neither the transfer of any limited partner of Tenant (a “Limited Partner”) interests in the Tenant
or the admission of a successor limited partner or partners pursuant to the terms of the
Partnership Agreement shall constitute an event of default under the Lease nor require OCII’s
consent. The withdrawal or removal of a general partner of the Tenant pursuant to the terms of
the Partnership Agreement shall not require OCII consent, and shall not constitute a default
under the Lease provided that any replacement general partner shall require the consent of the
OCII which consent shall not be unreasonably withheld, conditioned or delayed.

ARTICLE 50: CITY PROVISIONS

50.1 Non-Discrimination.

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

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

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

(d) Condition to Lease. As a condition to this Ground Lease, Tenant shall execute the “Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits” (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

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

50.2 MacBride Principles – Northern Ireland.

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

50.3 Conflicts of Interest.

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

50.4 Charter Provisions.

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

50.5 Tropical Hardwood/Virgin Redwood Ban.

Pursuant to Section 804(b) of the San Francisco Environment Code, the City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product. Except as permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code, Tenant shall not use any items in the rehabilitation, development or operation of the Premises or otherwise in the performance of this Lease which are tropical hardwoods, tropical hardwood wood products, virgin redwood or virgin redwood wood products.

50.6 Tobacco Product Advertising Ban.

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

50.7 Pesticide Ordinance.

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

50.8 Compliance with the City's Sunshine Ordinance.

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

50.9 Notification of Limitations on Contributions.

Through its execution of this Ground Lease, Tenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with OCII for the selling or leasing any land or building to or from OCII whenever such transaction would require approval by a OCII elective officer or the board on which that OCII elective officer serves, from making any campaign contribution to the officer at any time from the commencement of negotiations for such contract until the termination of negotiations for such contract or three (3) months has elapsed from the date the contract is approved by the Agency elective officer, or the board on which that OCII elective officer serves.

50.10 Requiring Health Benefits for Covered Employees.

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

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

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

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

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

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

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

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

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

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

(j) OCII may conduct random audits of Tenant to ascertain its
compliance with HCAO. Tenant agrees to cooperate with the Agency when it conducts audits.

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

50.11 Public Access to Meetings and Records.

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

50.12 Resource-Efficient Building Ordinance.

Tenant acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Chapter 7 relating to resource-efficient the City buildings and resource-efficient pilot projects. Tenant hereby agrees it shall comply with the applicable provisions of such code sections as such sections may apply to the Premises.

50.13 Drug Free Work Place.

Tenant acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession or use of a controlled substance is prohibited on
OCII premises. Tenant agrees that any violation of this prohibition by Tenant, its Agents or assigns shall be deemed a material breach of this Ground Lease.

50.14 Preservative Treated Wood Containing Arsenic.

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

50.15 Nondisclosure of Private Information.

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

(a) Neither Tenant nor any of its subcontractors shall disclose Private Information, unless one of the following is true:

(i) The disclosure is authorized by this Ground Lease;

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

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

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

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

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

50.16 Graffiti.

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

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

50.17  Incorporation.

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

50.18  Food Service Waste Reduction.

Tenant agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided therein, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Ground Lease as though fully set forth herein. This provision is a material term of this Ground Lease. By entering into this Ground Lease, Tenant agrees that if it breaches this provision, OCII will suffer actual damages that will be impractical or extremely difficult to determine. Without limiting the OCII's other rights and remedies, Tenant agrees that the sum of One Hundred Dollars ($100.00) liquidated damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that OCII will incur based on the violation, established in light of the circumstances existing at the time this Ground Lease was made. Such amounts shall not be considered a
penalty, but rather agreed monetary damages sustained by OCII because of Tenant's failure to comply with this provision.

**ARTICLE 51: COMPLETE AGREEMENT**

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

**ARTICLE 52: ATTACHMENTS**

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

1. Legal Description of Site
2. Schedule of Performance
3. OCII Consent of Leasehold Mortgage
4. Operational Rules for Certificate Holder’s Priority
5. Tenant Income Certification
6. Memorandum of Ground Lease
7. Asset Management Fee and Partnership Management Fee Policy
IN WITNESS WHEREOF, the Tenant and the Agency have executed this Ground Lease as of the day and year first above written.

TENANT:

AMCAL Pacific Point Fund, L.P.,
a California limited partnership

By: AMCAL Multi-Housing Two LLC,
a California limited liability company,
its administrative general partner

By: __________________________
Its: __________________________

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

By: __________________________
Its: __________________________

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 Bohee
Executive Director

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: __________________________
ATTACHMENT 1

Legal Description of the Site

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

TRACT ONE:
Lot 70, as shown on the final map for condominium purposes entitled "FINAL MAP NO. 4231," filed for record on August 12, 2009, in Survey Map Book “CC” at Pages 165 to 175, in the Official Records of the City and County of San Francisco, State of California, as amended by that certain Certificate of Correction recorded December 23, 2011, Instrument No. 2011-1324068-00, in Reel K549, Image 0531 in the Official Records of the City and County of San Francisco, State of California.

Former APN: Block 4591A, Lot 076 (this and other property)
APNs: Block 4591C, Lot 103

ACCESS EASEMENTS:

TRACT TWO:
Temporary non-exclusive easements for street, roadway and public utility purposes, over, under, along and across all that property lying within Lot 155, also being a portion of Earl Street and Innes Avenue, lying Northwesterly of Donahue Street and Lots 156 and 157, also being a portion of Donahue Street, as shown on the final map for Condominium purposes entitled "FINAL MAP NO. 4231", filed for record on August 12, 2009, in Map Book "CC" at Pages 165 to 175, as amended by that certain Certificate of Correction recorded December 23, 2011, Instrument No. 2011-J324068-00, in Reel K549, Image 0531, in the Official Records of the City and County of San Francisco, State of California, as an appurtenance to Tract One described above.

APN: Lot 175 and Lot 177, Block 4591-C

TRACT THREE:
Temporary non-exclusive easements for street, roadway and public utility purposes, over, under, along and across all that property lying within Lot 172, also being a portion of Kirkwood Avenue and Lot 173, also being a portion of Freidell Street, as shown on the final map for Condominium purposes entitled "FINAL MAP NO. 4231", filed for record on August 12, 2009, in Map Book "CC" at Pages 165 to 175, as amended by that certain Certificate of Correction recorded December 23, 2011, Instrument No. 2011-J324068-00, in Reel K549, Image 0531, in the Official Records of the City and County of San Francisco, State of California, as an appurtenance to
Tract One described above

APN: Lot 192 and Lot 193, Block 4591-C

By signing in the space below, Developer agrees to grant to Tenant the Access Easement with respect to those portions of Tract Two and Tract Three owned by Developer:

HPS DEVELOPMENT CO., LP,
a Delaware limited partnership

By: CP/HPS Development Co. GP, LLC,
a Delaware limited liability company
its General Partner

By: ______________
Name: Kofi Bonner
Its: President
## ATTACHMENT 2

### SCHEDULE OF PERFORMANCE

<table>
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<tr>
<th>Performance Milestone</th>
<th>Estimated or Actual Date</th>
<th>Contractual Deadline</th>
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<tr>
<td>1. Closing</td>
<td></td>
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<tr>
<td>a. Construction Closing</td>
<td>Sept. 26, 2014</td>
<td></td>
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<tr>
<td>b. Permanent Financing Closing</td>
<td>October 2016</td>
<td></td>
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<tr>
<td>2. Construction</td>
<td></td>
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<td>a. Notice to Proceed</td>
<td>Sept. 29, 2014</td>
<td></td>
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<tr>
<td>a. Draft Marketing Plan Submission</td>
<td>November 2014</td>
<td></td>
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<tr>
<td>b. Commence Marketing</td>
<td>December 2015</td>
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<tr>
<td>c. 95% Occupancy</td>
<td>May 30, 2016</td>
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ATTACHMENT 3
OCII CONSENT OF LEASEHOLD MORTGAGE

Date:

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

RE: 350 Friedell Street, San Francisco (LEASEHOLD MORTGAGE)

Dear Sir or Madam:

Pursuant to Section 25.01 of the Hunters Point Shipyard, Block 49 Ground Lease, dated September 12, 2014, between the Agency (“the Agency”) and AMCAL Pacific Pointe Fund, L.P., a California limited partnership, we are formally requesting the Agency’s consent to our placing a leasehold mortgage upon the leasehold estate of the above referenced development. The following information is provided in order for the Agency to provide its consent:

Lender: ___________________________
Principal Amount: ___________________________
Interest: ___________________________
Term: ___________________________

Attached hereto are unexecuted draft loan documents, including the loan agreement, promissory note, and all associated security agreements which we understand are subject to the review and approval by the Agency. Furthermore, we are willing to supply any additional documentation related to the leasehold mortgage which the Agency deems necessary.

Sincerely,

__________________________________
Printed Name and Title

enc.

By signing this letter, the Agency consents to the leasehold mortgage, pursuant to the terms and conditions of Section 25.01 of the Hunters Point Shipyard, Block 49 Ground Lease, dated September 12, 2014.

Office of Community Investment and Infrastructure

Printed Name and Title
ATTACHMENT 4
OPERATIONAL RULES FOR
CERTIFICATE HOLDERS’ PRIORITY

(SEE ATTACHED)
ATTACHMENT 5

TENANT INCOME CERTIFICATION

(SEE ATTACHED)
ATTACHMENT 6

Form of Memorandum of Lease

Free Recording Requested Pursuant to
Government Code Section 27383

RECORDING REQUESTED BY:

THE MAYOR’S OFFICE OF HOUSING
AND COMMUNITY DEVELOPMENT
OF THE CITY AND COUNTY OF
SAN FRANCISCO

WHEN RECORDED RETURN TO:
Office of Community Investment & Infrastructure
1 So. Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: Gwen Sebay

MEMORANDUM OF GROUND LEASE

This Memorandum of Ground Lease ("Memorandum") is entered into as of September 12, 2014, by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, hereafter referred to as the Office of Community Investment and Infrastructure, organized and existing under the laws of the State of California ("Agency" or the "Lessor"), and AMCAL Pacific Pointe Fund, L.P., a California limited partnership ("Tenant"), with respect to that certain Ground Lease (the "Lease") dated September 12, 2014, between the Agency and Tenant.

Pursuant to the Lease, the Agency hereby leases to Tenant and Tenant leases from the Agency the real property more particularly described in Exhibit A, attached hereto and incorporated herein by this reference (the "Property"). The Lease shall commence on the date set forth above and shall end on the date which is 75 years from the date set forth above, unless terminated earlier or extended pursuant to the terms of the Lease.

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

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

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

Executed as of __________, 2014 in San Francisco, California.
TENANT:

AMCAL Pacific Point Fund, L.P.,
a California limited partnership

By: AMCAL Multi-Housing Two LLC,
a California limited liability company,
its administrative general partner

By: ____________________________
Its: ____________________________

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

By: ____________________________
Its: ____________________________

LESSOR:

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 Bohee
Its: Executive Director
ATTACHMENT 7

Mayor’s Office of Housing and Community Development Asset Management Fee and the Partnership Management Fee Policy

(SEE ATTACHED)