CORE COMMUNITY BENEFITS AGREEMENT

HUNTERS POINT SHIPYARD / CANDLESTICK POINT INTEGRATED
DEVELOPMENT PROJECT

This CORE COMMUNITY BENEFITS AGREEMENT (this “Agreement” or this “CCBA”) is dated as of May 30, 2008 (the “Effective Date”) by and between LENNAR COMMUNITIES, INC., a California corporation (“Lennar Communities”), and LENNAR – BVHP, LLC, a California limited liability company (“Lennar BVHP” and together with Lennar Communities, “Lennar” or “Developer”); and the SAN FRANCISCO LABOR COUNCIL, an unincorporated association maintaining nonprofit status as a 501(c)(5) (“SFLC”); THE SAN FRANCISCO ORGANIZING PROJECT, a California nonprofit corporation (“SFOP”); and SAN FRANCISCO ACORN, the local chapter of the Association of Community Organizations for Reform Now, an Arkansas nonprofit corporation (“SF-ACORN”).

RECITALS

A. Lennar BVHP and Lennar Communities entered into the ENA with the Agency. The ENA contemplates that Developer will work with the Agency to: (i) plan for the redevelopment of the Project Site; (ii) enter into the Term Sheet; and (iii) following the approval of the Term Sheet, negotiate and enter into the DDA for the conveyance, management and redevelopment of the Project Site. As a part of such planning, the ENA envisions that Developer will work with the CAC and the PAC to plan for the community benefits to be provided as a part of the Project to ensure that the revitalization of the Project Site is in the best interest of the BVHP residents, businesses and community organizations.

B. In furtherance of that community planning, the Parties intend to work with the CAC, the PAC and the Agency to achieve a job and housing ladder that ensures that the Project provides the maximum feasible benefit to the BVHP community while preserving the Project’s essential financial feasibility. Having conducted extensive review of the financial feasibility of the Project and having worked with the City, the Agency, the CAC, the PAC and numerous other community stakeholders, the Parties believe that the community benefits outlined in this CCBA provide maximum feasible benefits to the BVHP community in relation to the benefit areas contained herein.

C. Accordingly, the Parties desire to continue to work with the CAC, the PAC, the Agency and the City to advocate for the inclusion of the commitments of this CCBA in the Term Sheet, the DDA and other operative agreements related to the development of the Project on the Project Site. The Parties are entering into this agreement to establish the commitments of the Parties to each other with respect to the Project.
NOW, THEREFORE, in furtherance of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

As used in this CCBA, the following capitalized terms shall have the following meanings.

“60-Day Cure Period” is defined in Section 10.4.2.

“Affordable” means with respect to a residential dwelling, a monthly rent or purchase price, as applicable, which is consistent with the guidelines set from time to time by the Mayor’s Office of Housing, of the City.

“Affordable Housing Table” is defined in Section 2.1.

“Affordable Housing Unit” means a residential dwelling unit, offered for sale or rent, as applicable, which is Affordable to those in the AMI ranges specified in the Affordable Housing Table.

“Agency” means the Redevelopment Agency of the City and County of San Francisco, a public body, corporate and politic, of the State of California.

“Agreement” is defined in the introductory paragraph hereto.

“Alice Griffith” means the Alice Griffith Housing Project (also known as Double Rock) located in BVHP.

“AMI” means the median income for the City, as calculated by the Mayor's Office of Housing using data from HUD, and adjusted for household size. If data from HUD specific to the City is unavailable, AMI may be calculated by the Mayor's Office of Housing using other publicly available and credible data and adjusted for household size.

“Applicable Requirements” means (i) all of the provisions of this Agreement except Section 2.2 (Community First Housing Fund), Section 2.5 (Alice Griffith Construction), Section 2.6 (Alice Griffith Resident Relocation Assistance), Section 3.1 (Workforce Development Fund Commitment) and Section 6.1 (Implementation Committee) and (ii) any of the provisions of this Agreement referenced in clause (i) above to the extent that Developer and a Developer Successor elect in the Assumption Agreement executed by them to cause the Developer Successor to assume and be subject to the same.

“Approved Foundation” means the San Francisco Foundation, the Walter and Elise Haas Fund, the Evelyn and Walter Haas, Jr. Fund, the Tides Foundation or any other foundation that is mutually agreed to in writing by the Lead Organizations and Developer.

“Assumption Agreement” shall have the meaning set forth in Section 7.2.
“BVHP” means the area of the City contained in zip code 94124.

“CAC” means the Hunters Point Shipyard Citizen’s Advisory Committee.

“Candlestick Point” shall mean the “Candlestick Point” property as such term is described in the ENA, including Exhibit A-2 thereto.

“CCBA” is defined in the introductory paragraph hereto.

“Certificate of Preference Holders” means those holding a residential Certificate of Preference issued by the Agency.

“City” means the City and County of San Francisco, and any of its departments and/or agencies.

“City Card Check Policy” is defined in Section 4.1.

“Community First Housing Fund” means a trust administered by an Approved Foundation. Such fund shall be formed and managed as provided in Section 2.2 and Section 9.1 hereof.

“Community First Housing Fund Contribution” is defined in Section 2.2.1.

“Complete” or “Completed” when used with respect to a residential dwelling unit means that a certificate of occupancy has been issued for such unit.

“Critical Project Event” means any of the following: (i) the conduct and completion of the environmental remediation on the Shipyard or any significant portion thereof by the United States Department of the Navy; (ii) the date on which Developer has access to the site of the football stadium at Candlestick Point for the purpose of demolition and site preparation, as set forth in the Term Sheet; (iii) the receipt of any significant entitlement or consent contemplated by the Term Sheet from a public entity necessary to the anticipated development and construction of the Project beyond the time contemplated in the Term Sheet; and (iv) the inability to obtain customary financing (including tax increment and private financing) for any significant portion of the Project at the time and in the amount contemplated in the pro forma financial information for the Project presented to the Agency and the Mayor’s Office of the City at the time that the Term Sheet is approved by the Mayor’s Office.

“DA” shall mean a statutory development agreement in accordance with Government Code Sections 65865 through 65869.5 between the City and Developer, regarding development on the Project Site, as such agreements may be amended from time to time.

“DDA” shall mean the disposition and development agreement contemplated by the ENA.

“Developer” is defined in the introductory paragraph hereto.
“Developer Successor” means any entity other than a Permitted Transferee that is a successor in interest or assign of Developer to all or any portion of Developer's interest in this Agreement, the ENA, DDA or all or any portion of the Project, including without limitation, any Lennar JV, any entity in which Lennar Communities or Lennar BVHP become a member, any person or entity that acquires a fee simple interest or a ground lease from Developer for the purpose of developing all or any portion of the Project, any vertical developers or retail developers participating in the Project.

“District 10” means the “Tenth Supervisorial District” as such term is defined in Appendix E of the City Charter.

“Effective Date” is defined in the introductory paragraph hereto.

“ENA” means that certain Second Amended and Restated Exclusive Negotiations and Planning Agreement, dated as of May 1, 2007, by and between Lennar BVHP, Lennar Communities and the Agency, as amended from time to time.

“Failure” is defined in Section 10.4.2.

“Failure Notice” is defined in Section 10.4.2.

“Final Approval” means (i) with respect to the Term Sheet, the endorsement of the Term Sheet by the Agency, the City’s Park and Recreation Department, and the City’s Board of Supervisors, as applicable, and (ii) with respect to the DDA or DA, the adoption, execution and delivery thereof by all parties thereto with all relevant appeal periods having expired without the filing of a challenge or appeal, or if a challenge or appeal is filed, with such challenge or appeal resolved in a manner reasonably satisfactory to Developer.

“First Source Hiring Program” means the policies contained in Attachment A hereto.

“Grocery Store” means a retail store commonly known as a grocery store or a supermarket for which the substantial majority of retail sales are household foodstuffs for offsite consumption, including fresh produce, meats, poultry, fish, deli products, dairy products, canned foods, dry foods, beverages, baked foods, and prepared foods, with other household supplies or other products sold by such establishment being secondary to the retailer’s primary purpose of food sales and the operator of which has more than twenty-five (25) regular full time or regular part time employees.

“HUD” means the United States Department of Housing and Urban Development.

“Implementation Committee” means a committee consisting of seven (7) members, which shall include one representative from Developer, one representative from SFOP, one representative from SF-ACORN, one representative from SFLC, one representative from the CAC, one representative from the PAC, and one additional representative from an organization mutually agreed to by Lead Organizations and Developer.

“Interim Public Housing” is defined in Section 2.6.
“JAMS” is defined in Section 10.4.4.

“JAMS Rules” is defined in Section 10.4.4.1.

“Lennar” is defined in the introductory paragraph hereto.

“Lennar BVHP” is defined in the introductory paragraph hereto.

“Lennar Communities” is defined in the introductory paragraph hereto.

“Lennar JV” shall have the meaning ascribed to it in the ENA.

“Lead Organization” means SFOP, SF-ACORN and the SFLC.

“Objecting Party” is defined in Section 10.4.2.

“Other Participants” means those parties added to this Agreement following the Effective Date through the mutual agreement of the Lead Organizations and Developer and the execution and delivery of this Agreement by such parties.

“Other Party” is defined in Section 10.4.2.

“PAC” means the Bayview Hunters Point Project Area Committee.

“Party” means each of the signatories to this Agreement and “Parties” means all of such signatories.

“Permitted Transferee” means any of the following persons or entities to whom Developer or a successor in interest to Developer consummates a Transfer pursuant to the DDA, a Vertical DDA, as required by law or as necessary in the reasonable judgment of Developer or such successor in interest in connection with the normal and customary development of the Project or the Project Site: (i) any governmental or quasi-governmental entity or (ii) any public or private utility, except to the extent, in either case, that either of the entities in clause (i) or (ii) above develop housing units at the Project Site.

“Phase” shall mean the segmentation of the Project into two development projects, each of which contains five thousand (5,000) housing units (such amount to be proportionately adjusted if the Project Entitlements contain more or less than 10,000 housing units).

“Project” means the Project Site and any improvements constructed thereon by Developer.

“Project Entitlements” means any governmental approvals or permits requested by Developer for construction, development or operation of the Project, including without limitation, issuance of any permits or agreements as shall be determined by the Agency and such approvals and consents of governmental third parties as are necessary in order to develop, construct or complete the Project or any discrete, relevant portion thereof.

“Project Site” shall mean the Shipyard and Candlestick Point together.
“Proposition F” means the initiative measure submitted to City voters on the June 3, 2008 ballot titled the Affordable Housing Requirement for the Candlestick Point and Hunters Point Shipyard Mixed-Use Development Project.

“Proposition G” means the initiative measure submitted to City voters on the June 3, 2008 ballot titled the Mixed-Use Development Project for Candlestick Point and Hunters Point Shipyard.

“Qualified Arbitrator” means an arbitrator who meets the standards of impartiality and independence required by the JAMS Rules who has not been engaged or employed by any Party in any capacity within the prior two (2) years and who is experienced in arbitrating or otherwise deciding complex commercial or real estate issues.

“Relocation Option” is defined in Section 2.6.

“Senior and Disabled Housing” means housing available for senior and disabled residents, as defined by HUD standards.

“SF-ACORN” is defined in the introductory paragraph hereto.

“SFOP” is defined in the introductory paragraph hereto.

“SFLC” is defined in the introductory paragraph hereto.

“Shipyard” shall mean the “Shipyard” property as described in the ENA, including Exhibit A-2.

“Successor” means any successor or assign in interest of a Party or the Parties, as the context may require.

“Tenant” means any person or entity that conducts any portion of its operations within the Project, including without limitation, any person or entity leasing space within the Project.

“Term Sheet” means a term sheet between Developer and Agency outlining, among other things, the scope of the development of the Project, a financially feasible proforma, a community benefits program, including economic development opportunities and levels of affordable housing.

“Transfer” is defined in Section 7.1.

“Workforce Contribution” is defined in Section 3.1.

“Workforce Programs” is defined in Section 3.1.

“Workforce Development Fund” means a trust administered by an Approved Foundation. Such fund shall be formed and managed as provided in Article 3 and Section 9.1 hereof.
ARTICLE 2
AFFORDABLE HOUSING BENEFITS

2.1 Project-Wide Affordability Requirements. Developer and/or Developer Successors shall construct not less than thirty-one and eighty-six one hundredths percent (31.86%) of the housing units in the Project as Affordable Housing Units in the proportions and with the characteristics set forth in the table contained in this Section 2.1 (the “Affordable Housing Table”). For example, when all housing units in the Project have been Completed, at least fifteen and sixty-six hundredths percent (15.66%) of all such housing units shall be rental units Affordable to households whose income is equal to or less than sixty percent (60%) of AMI. Thus, if 10,000 housing units were Completed in the Project, the number and type of Affordable Housing Units reserved for households qualifying for each AMI tier described in the Affordable Housing Table would be as shown in column 4 of such table.

<table>
<thead>
<tr>
<th>AMI Percentage Range</th>
<th>Affordable Housing Type</th>
<th>Percentage of Total Project Units</th>
<th>Affordable Housing Units</th>
<th>Qualifying Income for 4-person household (2008)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-60%(^1)</td>
<td>Affordable Rentals</td>
<td>15.66%</td>
<td>1,566</td>
<td>$49,750</td>
</tr>
<tr>
<td>80-100%(^2)</td>
<td>Affordable For-Sale</td>
<td>3.45%</td>
<td>345</td>
<td>$74,610 (90% AMI)</td>
</tr>
<tr>
<td>120%(^3)</td>
<td>Affordable For-Sale</td>
<td>4.25%</td>
<td>425</td>
<td>$99,500</td>
</tr>
<tr>
<td>140%(^4)</td>
<td>Affordable For-Sale</td>
<td>4.25%</td>
<td>425</td>
<td>$116,060</td>
</tr>
<tr>
<td>141-160%(^5)</td>
<td>Affordable For-Sale</td>
<td>4.25%</td>
<td>425</td>
<td>$124,350 (150% AMI)</td>
</tr>
<tr>
<td>Total Affordable Housing Units</td>
<td></td>
<td>31.86%</td>
<td>3,186</td>
<td></td>
</tr>
</tbody>
</table>

1. All units in this tier must be Affordable at no greater than 60% of AMI.
2. All units in this tier must be Affordable at between 80% and 100% of AMI, and the average affordability level of units in this tier must be no greater than 90% of AMI.
3. All units in this tier must be Affordable at no greater than 120% of AMI.
4. All units in this tier must be Affordable at no greater than 140% of AMI.
5. All units in this tier must be Affordable at between 141% and 160% of AMI, and the average affordability level of units in this tier must be no greater than 150% of AMI.
6. Assuming 10,000 total units of Completed housing units in the Project.
7. For illustrative purposes only.

2.1.1 Phase-Specific Affordability Requirements. Developer and/or Developer Successors shall ensure that: (a) when all housing units in any Phase are Completed, at least thirty-one and eighty-six one hundredths percent (31.86%) of such housing units shall be Affordable Housing Units; (b) the Phases are built sequentially such that the construction of housing units will not commence in any given Phase until the Affordable Housing Units in the prior Phase have been Completed; and (c) the infrastructure work, including grading and paving, is completed for any pads on which Affordable Housing Units will be constructed simultaneously with completion of such work for pads for market rate housing in such Phase.
2.2 **Community First Housing Fund.**

2.2.1 **Community First Housing Fund Commitment.** Developer and/or Developer Successors shall contribute $27,300,000 (the "Community First Housing Fund Contribution") to the Community First Housing Fund. This amount shall be proportionally adjusted if the Project Entitlements permit construction of more or less than 10,000 housing units within the Project as a whole. For example, if Project Entitlements permit construction of 8,000 housing units within the Project as a whole, the contribution pursuant to this Section 2.2.1 shall be $21,840,000; and if Project Entitlements permit construction of 12,000 housing units within the Project as a whole, the contribution pursuant to this Section 2.2.1 shall be $32,760,000. If such proportional adjustment is necessary, each amount set forth in Section 2.2.2 below shall be proportionally adjusted as well. The Community First Housing Fund Contribution shall be used to assist qualifying residents listed in Section 2.4 below in the purchase of market-rate units in District 10 through opportunities such as down payment assistance, rent-to-own opportunities, purchase of buildable pads, and/or the purchase of market rate housing units, inside or outside of the Project, by individuals meeting the income standards to qualify for purchase of Affordable Housing Units. The Parties anticipate that the funds and strategies described in this Section 2.2 will assist over 340 District 10 households in purchasing homes; however, such statement of anticipation does not create a legal obligation under this Agreement.

2.2.2 **Community First Housing Fund Deposit Schedule.** Developer and/or Developer Successors shall deposit the Community First Housing Fund Contribution in the Community First Housing Fund in installments of the following amounts (such amounts to be proportionately adjusted if the Project Entitlements permit the construction of more or less than 10,000 housing units within the Project) within sixty (60) days of the following dates:

- **2.2.2.1** five million four hundred sixty thousand dollars ($5,460,000) on September 15, 2009 (anticipated Final Approval of the DDA);
- **2.2.2.2** three million one hundred twenty thousand dollars ($3,120,000) on January 15, 2011;
- **2.2.2.3** three million one hundred twenty thousand dollars ($3,120,000) on January 15, 2012;
- **2.2.2.4** three million one hundred twenty thousand dollars ($3,120,000) on January 15, 2013;
- **2.2.2.5** three million one hundred twenty thousand dollars ($3,120,000) on January 15, 2014;
- **2.2.2.6** three million one hundred twenty thousand dollars ($3,120,000) on January 15, 2015;
- **2.2.2.7** three million one hundred twenty thousand dollars ($3,120,000) on January 15, 2016; and
2.2.2.8 three million one hundred twenty thousand dollars ($3,120,000) on January 15, 2017.

However: (i) the date for deposit of each installment of the Community First Housing Fund Contribution shall be automatically extended by a period equal to the number of days between the anticipated date of Final Approval for the DDA (which is September 15, 2009) and the actual date of Final Approval of the DDA; and (ii) if the Developer is further delayed in the prosecution of the Project or any major portion thereof due to the actual date for the occurrence of any Critical Project Event being more than six (6) months later than the anticipated date for such Critical Project Event as set forth in the Term Sheet, then the date for deposit of each installment shall be extended for the period by which the Critical Project Event was delayed; provided, that such extension in this clause (ii) shall only be effective to the extent that the delay in the Critical Project Event is not the fault of Developer. Whether the need for the extension is or is not the fault of Developer shall be determined, reasonably, by the Parties (and if they cannot so agree it shall be subject to the provisions of Section 10.4.4).

2.2.3 Average Bedrooms for Affordable Housing Units. Developer and/or Developer Successors shall ensure that: (i) the average number of bedrooms of all rental Affordable Housing Units, taken as a whole, excluding those constituting Senior and Handicapped Housing, shall be at least 2.5; and (ii) the average number of bedrooms of all for-sale Affordable Housing Units, taken as a whole, excluding those constituting Senior and Handicapped Housing, shall be at least 2.5. These averages shall be maintained during each Phase.

2.3 Senior and Disabled Housing. Developer and/or Developer Successors shall ensure that certain of the Affordable Housing Units are designated as Senior and Disabled Housing. Prior to the receipt of Project Entitlements, Developer shall work with Lead Organizations, the City, the CAC, the PAC and the Agency to identify sites, funding and developers to construct a portion of the Affordable Housing Units as Senior and Disabled Housing.

2.4 Affordable Housing Preference. Developer and/or Developer Successors shall target Affordable Housing Units, to the maximum extent allowed by law, to the following groups through a marketing strategy, point system or other community-based preference system:

2.4.1 Certificate of Preference Holders;

2.4.2 Residents of BVHP;

2.4.3 Rent-burdened individuals, meaning persons residing in a unit has a rent of above thirty percent (30%) of monthly combined household income;

2.4.4 Residents of District 10;

2.4.5 Residents displaced by Agency development projects;

2.4.6 Prior residents of District 10; and
2.4.7 Family members of residents of District 10.

2.5 Alice Griffith Construction. Subject to the timely receipt of all necessary governmental approvals, including those from the City, the Agency and HUD, Developer and/or Developer Successors shall construct the replacement Alice Griffith units in the first Phase. Developer and/or Developer Successors shall work diligently with the City, the Agency and HUD to timely obtain the governmental approvals that are required to commence construction of the replacement for Alice Griffith units at the beginning of the first Phase and to begin construction promptly after all necessary governmental approvals have been obtained.

2.6 Alice Griffith Resident Relocation Assistance. Developer and/or Developer Successors shall ensure that Alice Griffith residents have the opportunity to move directly from their current Alice Griffith units to replacement Alice Griffith units without having to relocate to any other area. In addition, to the extent that other replacement housing can be made available by the City, the Agency, or the San Francisco Housing Authority, Developer and/or Developer Successors agrees that Alice Griffith residents be, at their election, eligible to temporarily relocate to any affordable housing dedicated as replacement public housing during the construction of the replacement Alice Griffith units (the “Interim Public Housing”) and to return to a replacement Alice Griffith unit when such units are Completed.

Prior to submission of a development and disposition proposal to HUD with respect to the construction of replacement Alice Griffith units, Developer shall work with Lead Organizations, the San Francisco Housing Authority, the Mayor’s Office of Housing and the Agency to create a relocation plan consistent with both federal and state relocation law. This plan shall include funding for a relocation specialist and relocation assistance, including moving services from the current Alice Griffith units to the replacement Alice Griffith units and, for those Alice Griffith residents who have elected to and have received the right to move to the Interim Public Housing, to and from the Interim Public Housing; provided, that it is anticipated that if public funding is insufficient for such relocation specialist and relocation assistance, the City will seek and receive reasonable funding from Developer to cover such expenses.

In addition, Developer shall work with Lead Organizations, the City and the Agency to minimize the impact of construction of the replacement Alice Griffith units. Further, during such period, Developer shall work with Lead Organizations, the Agency, the San Francisco Housing Authority and the City to ensure that Alice Griffith follows the existing HOPE SF principles and to support a future modification of the HOPE SF principles to ensure that the public housing residents living in HOPE SF projects may elect, in their sole discretion, to move either directly to a new unit or to temporarily relocate during the construction of the replacement public housing units (the “Relocation Option”). Developer shall work with Lead Organizations to encourage the San Francisco Housing Authority and the Mayor’s Office of Housing to negotiate and enter into a memorandum of understanding with Lead Organizations which will include the City’s commitment to work with Lead Organizations to identify and, to the extent feasible, provide additional financial and policy support to this Project for the Relocation Option.

2.7 Alice Griffith Efforts Under Shipyard Project. If the Developer enters into negotiations with the Agency regarding a DDA relating only to the Shipyard, and not including development of Candlestick Point, Developer shall meet and confer with Lead Organizations and
the Alice Griffith Resident Council to consider options to rebuild Alice Griffith promptly as part of that Shipyard development. Developer and Lead Organizations agree that prompt rebuilding of Alice Griffith is a highly important priority for the BVHP community.

**ARTICLE 3**

**WORKFORCE DEVELOPMENT BENEFITS**

3.1 **Workforce Development Fund Commitment.** Developer and/or Developer Successors shall contribute $8,500,000 (the “**Workforce Contribution**”) to a fund to be entitled the “Workforce Development Fund,” to be held by an Approved Foundation. This amount shall be proportionally increased if the Project Entitlements permit construction of more than 10,000 housing units within the Project as a whole. For example, if Project Entitlements permit construction of 12,000 housing units within the Project as a whole, Developer’s contribution pursuant to this Section 3.1 shall be $10,200,000. If such proportional increase is necessary, each amount set forth in Section 3.2 below shall be proportionally increased as well. The Workforce Contribution shall be used for workforce development programs designed to create a gateway to career development for residents of District 10 (the “**Workforce Programs**”). Developer shall work cooperatively with Lead Organizations to maximize funding for the Workforce Development Fund from the City, the State, the federal government and private contributors.

3.2 **Workforce Development Fund Deposit Schedule.** Developer and/or Developer Successors shall deposit the Workforce Contribution in the Workforce Development Fund in the following installments (which shall be proportionately increased if the Project Entitlements contain more than 10,000 housing units) within sixty (60) days of the following dates:

- 3.2.1 five hundred thousand dollars ($500,000) on December 15, 2008 (anticipated Final Approval of the Term Sheet);
- 3.2.2 one million five hundred thousand dollars ($1,500,000) on September 15, 2009 (anticipated Final Approval of the DDA);
- 3.2.3 one million eighty-three thousand three hundred thirty-three dollars and thirty-three cents ($1,083,333.33) on July 15, 2010;
- 3.2.4 one million eighty-three thousand three hundred thirty-three dollars and thirty-three cents ($1,083,333.33) on July 15, 2011;
- 3.2.5 one million eighty-three thousand three hundred thirty-three dollars and thirty-three cents ($1,083,333.33) on July 15, 2012;
- 3.2.6 one million eighty-three thousand three hundred thirty-three dollars and thirty-three cents ($1,083,333.33) on July 15, 2013;
- 3.2.7 one million eighty-three thousand three hundred thirty-three dollars and thirty-three cents ($1,083,333.33) on July 15, 2014; and
3.2.8 one million eighty-three thousand three hundred thirty-three dollars and thirty three cents ($1,083,333.33) on July 15, 2015.

However: (i) the date for deposit of each installment of the Workforce Contribution shall be automatically extended by a period equal to the number of days between the anticipated date of Final Approval for the Term Sheet (which is December 15, 2008) and the actual date of Final Approval of the Term Sheet; (ii) the date for deposit of each installment of the Workforce Contribution shall be automatically extended by a period equal to the number of days between the anticipated date of Final Approval for the DDA (which is September 15, 2009) and the actual date of Final Approval of the DDA; and (iii) if the Developer is further delayed in the prosecution of the Project or any material portion thereof due to the actual date for the occurrence of any Critical Project Event being more than six (6) months later than the anticipated date for such Critical Project Event as set forth in the Term Sheet, then the date for deposit of each installment (other than the installment in Section 3.2.1) shall be extended for the period by which the Critical Project Event was delayed; provided, that such extension in this clause (iii) shall only be effective to the extent that the delay in the Critical Project Event is not the fault of Developer. Whether the need for the extension is or is not the fault of Developer shall be determined, reasonably, by the Parties (and if they cannot so agree it shall be subject to the provisions of Section 10.4.4).

ARTICLE 4
EMPLOYMENT BENEFITS

4.1 Card Check. Developer and/or Developer Successors shall use require any Hotel or Restaurant Project (as such term is defined in the San Francisco Administrative Code Section 23.51) to comply with the provisions of the San Francisco Administrative Code Sections 23.50 to 23.56 (the “City Card Check Policy”), irrespective of any proprietary interests or, with respect to items (i) and (ii) immediately below, industry limitations contained therein. Further, Developer and/or Developer Successors shall require that (i) any agreement for the provision of security, custodial or stationary engineers for which the total annual economic consideration paid for such service exceeds twenty-five thousand dollars ($25,000) for security, twenty-five thousand dollars ($25,000) for custodial, and fifty thousand dollars ($50,000) for stationary engineers; and (ii) any agreement for the lease or sale of land to be used as a Grocery Store will each similarly comply with the general requirements of the City Card Check Policy. Developer and/or Developer Successors shall include requirements of this Section 4.1 in any contract Developer and/or Developer Successors enter into with any purchaser, general contractor, or Tenants with respect to the Project.

4.2 Living Wage. Developer and/or Developer Successors shall require that the Project be subject to living wage requirements promulgated by the Agency to the extent applicable and effective at time of Final Approval of the DDA, and that such living wage requirements will apply to any subsequent purchasers or lessees of the land located in the Project Site. Developer and/or Developer Successors shall include requirements of this Section 4.2 in any contract Developer and/or Developer Successors enter into with any purchaser, general contractor, Tenants or the Agency with respect to the Project.
4.3 **Non-Construction Local Hiring.** Developer and/or Developer Successors shall require that the Project be subject to the Agency’s BVHP Employment and Contracting Policy to the extent applicable and effective as of the time of Final Approval of the DDA. In addition, Developer and/or Developer Successors shall ensure that each non-construction employer within the Project agrees to abide by the First Source Hiring Program in the form attached hereto. In the event that the Agency requires different first source hiring standards or procedures, the Parties shall work together in good faith so that employers will be required to abide by a single set of first source hiring standards and procedures.

**ARTICLE 5**

**SUPPORT OBLIGATIONS**

In light of the community benefits related to Affordable housing, workforce development and employment contained herein, Lead Organizations shall take the following positions and provide the assistance contained in this Article 5 with respect to the Project. The obligations herein of the Lead Organizations shall solely be obligations of the Lead Organizations, as distinct from the associated and constituent organizations and individuals making up such Lead Organizations. However, the Lead Organizations shall use their reasonable, good faith efforts (i) to cause such associated and constituent organizations and individuals to support fully the agreements and obligations of the Lead Organizations and Other Participants contained herein and (ii) to obtain the commitment of each of the officers of each Lead Organization to support fully such agreements and obligations. In the context of (ii), *supra,* “reasonable, good faith efforts” shall mean a series of persuasive conversations with the officers in question, but shall not mean terminating a Lead Organization’s relationship with an officer that does not in his or her individual capacity support the agreements and obligations of this Agreement.

5.1 **Proposition F & Proposition G.** Each Lead Organization shall support a “yes” vote on Proposition G and a “no” vote on Proposition F.

5.2 **Letter of Support.** Upon the request of Developer, eachLead Organization shall send a letter in general support of the Project, the text of which is set forth in Attachment B, to any governmental or public entity specified by Developer. The Parties may mutually agree to revise the text of such letter.

5.3 **Hearing Attendance – Each Lead Organization.** If requested by Developer in writing with at least five days’ notice, each Lead Organization shall send at least one representative knowledgeable about the Project to speak in support of the Project, with a message generally consistent with that contained in Attachment B, at the following hearings:

5.3.1 consideration by the Agency of approval of the Term Sheet;

5.3.2 consideration by the Agency of approval of the DDA; and

5.3.3 any hearing regarding the Project in front of the City’s Board of Supervisors.
5.4 **Hearing Attendance – At Least One Lead Organization.** If requested by Developer in writing with at least five days’ notice, at least one Lead Organization shall send at least one representative knowledgeable about the Project to speak in support of the Project, with a message generally consistent with that contained in Attachment B, at hearings on Project Entitlements not set forth in Section 5.3, above.

5.5 **Position Regarding CCBA Issues.** Each Lead Organization shall publicly oppose any efforts by public or private individuals or organizations or governmental bodies to require greater commitments for the provision of community benefits related to affordable housing, workforce development programs, card check agreements or other union labor requirements, or any other matter contained in this Agreement; provided, however, that notwithstanding the requirements of this Section 5.5: (i) following Final Approval of the Term Sheet and prior to Final Approval of the DDA, the SFLC may advocate for the expansion of Section 4.1 hereof to include card check requirements for all retail businesses in the Project.

**ARTICLE 6**

**IMPLEMENTATION COMMITTEE AND COMPLIANCE**

6.1 **Implementation Committee.** To assist with the implementation of this Agreement, Developer and Lead Organizations shall promptly form an Implementation Committee. The purpose for the Implementation Committee shall be to work closely with the CAC, the PAC and all residents of District 10 to ensure that the implementation of this Agreement meets the needs of the BVHP community and reflects the substantial work of the CAC and the PAC in identifying the needs of BVHP and District 10. The Implementation Committee shall meet regularly to develop strategies and procedures for the implementation of the policies and programs set forth in this Agreement. Developer shall provide $75,000 per year for the operation of the Implementation Committee. Voting procedures and other rules of operation of the Implementation Committee shall be determined jointly by the Lead Organizations and Developer. The Implementation Committee shall establish processes and priorities for expenditures of the Workforce Development Fund and the Community First Housing Fund, within the purposes set forth in this Agreement. In establishing these processes and priorities the Implementation Committee shall be guided by an inclusive, comprehensive, community-driven process, to determine BVHP community needs within the parameters of the funding obligations and purposes set forth in this Agreement.

6.2 **Implementation through Relevant Contracts.** Where this Agreement requires Developer and/or Developer Successors to impose responsibilities on entities that are not parties to this Agreement, Developer and/or Developer Successors shall ensure that relevant contracts: (i) impose such responsibilities on such entities; (ii) require such entities to impose such responsibilities on subcontractors or other entities involved in the Project through the contract in question to the extent contemplated by this Agreement; and (iii) state with regard to such responsibilities imposed on any such entities that Lead Organizations are intended third party beneficiaries with enforcement rights; and (iv) include any other provisions which Developer and/or Developer Successors and Lead Organizations agree, acting reasonably, are necessary to ensure application and enforceability of such requirements by Lead Organization. Subject to Article 7, any entity that imposes an obligation required by this Agreement on another entity
shall, in event of failure by that other entity to comply with such obligation, enforce that obligation against the other entity or terminate the contractual relationship in question.

6.3 Compliance Information. Upon the reasonable written request from any Party, Lead Organization, Developer, and/or Developer’s Successors shall provide reasonable records or information demonstrating that the requested entity is in compliance with responsibilities set forth in this Agreement. No Party shall make such request of any single entity more often than twice per year, except to the extent that the nature of the obligation being monitored requires more frequent reporting, as reasonably agreed upon by the Parties.

ARTICLE 7
TRANSFER

7.1 Transfer. The Parties shall not assign or otherwise transfer ("Transfer") all or any part of or any interest in this Agreement without the prior written consent of the other Parties; provided, however, that Developer may transfer all or any part of or any interest in this Agreement to any person or entity which acquires all or part of or any interest in Developer’s interest in the ENA, the DDA or the Project, so long as such Transfer is in compliance with all requirements of Section 7.2.

7.2 Assumption Agreements. Developer shall not execute any deed conveying an interest in all or any portion of the Project Site, and shall not transfer all or any portion of its interest in this Agreement, the ENA, the DDA or the Project, unless (i) Developer and the relevant Developer Successor have executed an assumption agreement (a “Assumption Agreement”) governing conveyance of such interest in the Project, (ii) the Assumption Agreement requires Developer Successor to assume all Applicable Requirements with respect to the interest in the Project Site being acquired (provided, that any Developer Successor that acquires all or substantially all of Developer’s interest in the Project Site, and any Developer Successor which is a party to the DDA or the ENA, must assume all of Developer’s obligations under this Agreement, and shall have such financial resources as shall be reasonably sufficient to perform obligations of Developer under Sections 2.2 and 3.2 hereof), (iii) such Assumption Agreement includes the requirements contained in this Agreement as a material term therein, (iv) such Assumption Agreement provides that such requirements are enforceable by any Lead Organization as intended third party beneficiaries, specifically, that Lead Organizations shall have the same rights to enforce such assumed obligations against such Developer Successor as Lead Organizations had against Developer prior to execution of any Assumption and Agreement, and (v) in the case of the Transfer of all or substantially all of Developer’s obligations under Section 2.2 or 3.2 hereof, Developer Successor shall have such financial resources as shall be reasonably sufficient to perform the obligations of Developer that are being so Transferred. Thirty (30) days prior to the execution by any entity of any Assumption Agreement, Developer shall deliver to Lead Organizations a copy of each such Assumption Agreement. Prior to the execution of any Assumption Agreements between Developer and any Developer Successor, Developer and Lead Organizations shall also meet and confer regarding such agreements to confirm the mechanism by which Developer Successor shall assume all obligations of Developer pursuant to this Agreement in order to ensure that this Agreement is implemented by any Developer Successor as intended by the Parties. Upon execution of any such Assumption Agreements, Developer shall deliver an executed copy thereof to Lead Organizations.
7.3 **Developer Liability.** Developer shall be relieved of any obligations under this Agreement as a result of any such Transfer to the extent, but only to the extent, that Developer Successor assumes such obligations in an Assumption Agreement that satisfies Section 7.2, above, a copy of which shall be delivered to Lead Organizations. In such case neither Developer nor any owner of a different interest in the Project shall be liable for any breach of this Agreement by such Developer Successor, solely with respect to the interest being transferred.

**ARTICLE 8**

**TERM**

8.1 **Term.** This Agreement shall be effective as of the Effective Date and shall terminate on the earliest to occur of:

8.1.1 the date on which written notification from Developer to the other Parties is delivered; provided, that the San Francisco Board of Supervisors shall have first certified that either (i) Proposition F received an affirmative vote of more than a majority of the votes cast thereon and was therefore passed by the voters or (ii) Proposition G failed to receive an affirmative vote of more than a majority of the votes cast thereon and therefore failed to be passed by the voters;

8.1.2 the termination of the ENA so long as Final Approval of the DDA or any DA has not occurred by such time. Developer agrees (which agreement shall survive termination pursuant to this Section 8.1.2) that if this Agreement is terminated pursuant to this Section 8.1.2, Developer will not enter into another disposition and development agreement or exclusive negotiating agreement regarding the Project Site within ninety (90) days of such termination;

8.1.3 the date as of which Developer and/or Developer Successor have made all of the payments required by Sections 2.2 and 3.2, but no earlier than January 1, 2025;

8.1.4 the termination of the ENA with respect to Candlestick Point; however if Developer exercises its right to terminate this Agreement under this Section 8.1.4, Developer shall provide Lead Organizations with written notice, and shall not enter into the DDA or any DA within six months of providing such notice;

8.1.5 termination of the DDA; or

8.1.6 upon the mutual, written agreement of Developer and the Lead Organizations.

**ARTICLE 9**

**MANAGEMENT OF FUNDS**

9.1 **Management of Community First Housing Fund and Workforce Development Fund.** Developer and Lead Organizations shall jointly negotiate an agreement with an Approved Foundation regarding that foundation’s acceptance of funds provided by Developer under this Agreement (the “Funding Agreement”). The Funding Agreement shall require the foundation to:
9.1.1 establish a trust to maintain such funds;

9.1.2 require the foundation to deposit and maintain such funds in a bank designated in the Funding Agreement (such bank being selected by Developer with reasonable approval of Lead Organizations);

9.1.3 restrict grants of such funds to the purposes set forth in this Agreement;

9.1.4 within the nonprofit purposes and other operating practices of the foundation described or referenced in Fund Agreement, distribute such funds through timelines and processes, and for particular purposes, as directed by the Implementation Committee from time to time.

ARTICLE 10
MISCELLANEOUS

10.1 Binding on Successors.

10.1.1 Subject to Article 7, this Agreement shall be binding upon and inure to the benefit of the Parties and each of their respective heirs, administrators, executors, successors in interest and assigns, including, but not limited to any Developer Successor and any permitted successors of Lead Organizations or any of their respective permitted successors and assigns. To the extent permitted by Section 10.2, this Agreement may be enforced by Lead Organizations and Developer, and may be enforced against each of the Lead Organizations, together with their respective successors and assigns in interest. Except as otherwise indicated in this Section 10.1, references in this Agreement to a transferee shall be deemed to apply to any Successor of that transferee.

10.1.2 The Parties agree and acknowledge that neither this Agreement nor the Applicable Requirements shall be deemed to be a lien on the Project or the Project Site, and that under no circumstances shall Lead Organizations or their successors in interest be entitled to foreclose upon or otherwise be entitled to obtain any interest in the Project or the Project Site as a result of this Agreement. Should any Permitted Transferee require of Developer or its Successors that this Agreement not apply to the interest in the Project Site acquired by such Permitted Transferee, the Parties shall execute and deliver in recordable form such instruments as such Permitted Transferee shall reasonably request in order to meet such requirement.

10.1.3 Notwithstanding the provisions of Section 10.1 and Article 7, no Developer Successor or Permitted Transferee shall be subject to or obligated by the provisions of Articles 2 or 3 of this Agreement to the extent of its ownership of any part of the Project Site upon which no housing units are to be developed.

10.1.4 Notwithstanding any other provision of this Agreement, mortgages, deeds of trust and personal property and fixture security interests (including assignments of leases and ground leases to a lender as security for a loan) (collectively, “Debt Instruments”) are permitted to be placed upon the Project, the Project Site and this Agreement or any interest in them for the purpose of securing loans and other obligations related to acquiring the Project or the Project Site, obtaining entitlements thereon and developing and constructing infrastructure or horizontal
or vertical improvements thereon and paying all expenses related thereto. Without limiting the
generality of the foregoing, Debt Instruments of any kind for bonds or other evidences of
indebtedness relating to tax increment or similar financings which are required by the relevant
lenders shall be permitted. Under no circumstances shall the holders (which are not owned,
controlled or under common control with Developer or any constituent entity of Developer) of
such Debt Instruments or their successors or assigns in interest have any liability or obligation
under this Agreement; provided, that should such holders or their successors in interest (whether
through foreclosure or otherwise) elect to construct improvements on the Project Site (other than
to preserve the value thereof or for public health or safety purposes), such holders and successors
in interest shall be bound by the provisions of this Agreement to the extent of their interest in the
Project Site. Lead Organizations agree to execute and deliver in recordable form such
documents and instruments as may reasonably be requested by the holder or holders, or
prospective holder or holders, of Debt Instruments in order to clarify and confirm the provisions
of this Section 10.1.4.

10.2 Recordation. The obligations of the Parties set forth herein shall constitute
covenants running with the land and promptly upon Developer's purchase of any fee interest in
the Project, Developer shall prepare a private land use restriction memorializing all obligations
set forth in this Agreement, acceptable to Lead Organizations in their reasonable discretion,
which private land use restriction, or a memorandum of private land use restriction, shall be
recorded in the official records for San Francisco County, California, and upon recordation, such
private land use restriction shall inure to the benefit of, and be binding upon, any future owner of
an interest in the Project and each of their respective heirs, successors in interest and assigns.

10.3 Intentionally Deleted.

10.4 Default; Remedies.

10.4.1 Default. The failure by any Party to perform or comply in any material
respect with any of its obligations under this Agreement shall be deemed to be a default under
this Agreement if such failure is not cured after notice and opportunity to cure as set forth in
Section 10.4.2.

10.4.2 Right to Cure. If any Party (an “Objecting Party”) believes that another
Party (the “Other Party”) has failed to perform or comply in any material respect with any of
such Other Party’s obligations under this Agreement (a “Failure”), the Objecting Party shall
have the right to give written notice to the Other Party of the Failure (the “Failure Notice”).
Any Failure Notice must specify the nature of the alleged Failure, where appropriate the manner
in which the alleged Failure may be cured, and, at the option of the Objecting Party, contain the
notice required by Section 10.4.5 that the Objecting Party may institute legal proceedings in a
court of competent jurisdiction to enforce the specific performance of this Agreement by the
Other Party and/or enjoin the Other Party from violation of this Agreement. Within twenty (20)
days after the giving of the Failure Notice, the Objecting Party and the Other Party shall meet
and confer in good faith to negotiate a resolution of the alleged Failure. If the event that the
Objecting Party and the Other Party fail to agree on the resolution of any Failure by, and if the
Other Party fails to cure a Failure by no later than sixty (60) days after delivery of the Failure
Notice ("60-Day Cure Period"), the Other Party shall thereupon without further notice or opportunity to cure be in default of this Agreement.

10.4.3 Implementation Meetings and Voluntary Mediation. Before or during the 60-Day Cure Period, the Parties may elect to resolve any alleged Failure at regularly scheduled meetings of the Implementation Committee, or in voluntary confidential mediation requested by any Party to this Agreement; provided, however, negotiation of any alleged Failure at meetings of the Implementation Committee or participation in such mediation by either the Objecting Party or the Other Party shall not be deemed a condition precedent to the referral of any controversy or claim to binding arbitration under Section 10.4.4 below.

10.4.4 Binding Arbitration. If a Failure has not been resolved by negotiation or voluntary mediation or cured within the 60-Day Cure Period as set forth above, then any controversy or claim pertaining or relating to such Failure shall be settled by binding arbitration in San Francisco, California administered by JAMS ("JAMS").

10.4.4.1 Arbitration Rules. Any Failure referred to JAMS for settlement by arbitration hereunder shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules ("JAMS Rules") except that the provisions of this Section 10.4.4 shall supersede any conflicting or inconsistent provisions of the JAMS Rules.

10.4.4.2 Selection of Arbitrators. Notwithstanding any contrary provision in the JAMS Rules, any controversy or claim submitted to arbitration shall be resolved by one (1) Qualified Arbitrator.

10.4.4.3 Hearing and Award. The arbitrator so appointed shall meet and shall, if possible, hear and determine such matter within sixty (60) days after the arbitrator is appointed and his or her determination shall be binding on the parties. The award shall be in writing and signed by the arbitrator, and executed in the manner required by law. Notwithstanding any contrary provision of Section 10.11 below, judgment on the award rendered by the arbitrators may be entered by any court having jurisdiction thereof.

10.4.4.4 Costs of Arbitration. The costs and expenses of the arbitration, including JAMS administrative fees and arbitrator fees, shall be borne equally by the Parties and paid when due during the course of the arbitration. Each Party shall bear its own attorneys’ fees and expenses incurred in connection with the arbitration.

10.4.5 Equitable Relief in Cases of Alleged Irreparable Injury. Notwithstanding anything to the contrary in this Section 10.4, in the event that a Party reasonably believes that it will suffer irreparable injury if the alleged Failure specified in its Failure Notice is not cured with a period of time shorter than sixty (60) days after the giving of the Failure Notice, or within the 60-Day Cure Period, the Objecting Party may institute legal proceedings in any court of competent jurisdiction to enforce the specific performance of this Agreement by the Other Party and/or temporarily, preliminarily or permanently enjoin the Other Party from violation of this Agreement, but only to the extent that the Failure Notice contains a prominent notice to the effect that the Objecting Party intends to seek such relief. Such proceedings shall be in addition
to, and not in lieu of, any other right which a Party may have under this Agreement, including
any rights to arbitration of the merits of such disputed Failure under Section 10.4 above.

10.4.6 Remedies. The Parties hereto agree that monetary damages would be an
inadequate remedy for any breach of this Agreement and agree that this Agreement shall be
enforced by preliminary or permanent injunction, by a decree of specific performance, or other
such order or decree of an arbitrator as described above or a court of competent jurisdiction.
With the exception of an order or award to a Party to pay sums it has agreed to pay under this
Agreement, including of its share of the costs and expenses of arbitration as set forth in
Section 10.4 above, monetary damages shall in no circumstances be available as a remedy for
default of this Agreement.

10.5 No Fee Shifting. Except as otherwise provided in Section 10.4 above, each Party
shall bear its own costs and attorneys' fees in any action or arbitration arising out of or relating to
this Agreement.

10.6 Election. No payment provided pursuant to this Agreement is intended to or shall
be construed as a payment or offer of payment in consideration for any person to vote or refrain
from voting at any election.

10.7 Enforcement. Each of the Parties hereto may enforce the provisions of this
Agreement. Notwithstanding any language contained in this Agreement, this Agreement shall
not give any Lead Organization nor any of the Other Participants an independent right to seek to
enforce or to enforce the provisions of the DDA. Any proceeding of any kind brought to
enforce against Developer or to interpret the provisions of this Agreement shall be brought and
prosecuted by no less than two of the three Lead Organizations.

10.8 Waiver. No provision of this Agreement shall be deemed waived except by a
writing executed by the waiving party. The waiver by any Party of any provision or term of this
Agreement shall not be deemed a waiver of any other provision or term of this Agreement. The
mere passage of time, or failure to act upon a breach, shall not be deemed a waiver of any
provision or term of this Agreement.

10.9 Construction. Each of the Parties has had the opportunity to be advised by
counsel with regard to this Agreement. Accordingly, this Agreement shall not be strictly
construed against any Party, and any rule of construction that any ambiguities be resolved
against the drafter shall not apply to this Agreement.

10.10 Entire Agreement; Amendment. The Agreement (including Attachments A and
B, each of which is hereby incorporated by reference) contains the entire agreement between the
Parties with respect to the subject matter hereof. Any prior correspondence, memoranda,
agreements, warranties or representations relating to such subject matter, whether written or oral,
are superseded in total by this Agreement. This Agreement may be amended solely by a written
instrument executed and delivered by Developer and no less than two of the three Lead
Organizations.

10.11 Agreement Lawful and Enforceable. All Parties agree that this Agreement is
lawful, enforceable, and binding on all Parties; agree to waive any challenges to the
enforceability of this Agreement; and agree not to either affirmatively, or by way of defense, seek to invalidate or otherwise avoid application of the terms of this Agreement in any judicial action or arbitration proceeding.

10.12 **Time of the Essence.** Time is of the essence with respect to each provision of this Agreement in which time is a factor.

10.13 **Governing Law; Jurisdiction and Venue.** This Agreement shall be governed and construed in accordance with the laws of the State of California, without regard to any principles of conflict of laws. Except for disputes required to be referred hereunder to binding arbitration, the Parties agree that any disputes arising out of or relating to this Agreement may be resolved in the Superior Court of the State of California in and for the County of San Francisco.

10.14 **Severability.** Each provision of this Agreement is severable. If any such provision is determined by a court of competent jurisdiction to be invalid, void, unenforceable or illegal, the validity and enforceability of the remainder of this Agreement shall be unaffected and shall continue in full force and effect.

10.15 **Notices.** Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by facsimile with confirmation of receipt, or (d) by a commercial overnight courier that guarantees next day delivery and provides a receipt. Such notices shall be addressed as follows:

If to Developer:  
Lennar – BVHP, LLC  
c/o Lennar Urban  
49 Stevenson Street, Suite 600  
San Francisco, California 94105  
Attention: Kofi Bonner  
Facsimile: 415.995.1778

Lennar Communities, Inc.  
c/o Lennar Urban  
49 Stevenson Street, Suite 600  
San Francisco, California 94105  
Attention: Kofi Bonner  
Facsimile: 415.995.1778

With a copy to:  
Paul, Hastings, Janofsky & Walker LLP  
55 Second Street, 24th Floor  
San Francisco, California 94105  
Attention: Charles V. Thornton, Esq.  
Facsimile: 415.856.7100

and

Attention: David A. Hamsher, Esq.  
Facsimile: 415.856.7100
If to SFOP:  San Francisco Organizing Project  
3215 Cesar Chavez Street  
San Francisco, California 94110  
Attention: Erika Katske  
Facsimile: 415.821.5009

With a copy to:  San Francisco Organizing Project  
3215 Cesar Chavez Street  
San Francisco, California 94110  
Attention: Eleanor Williams  
Facsimile: 415.695.1804

If to the SFLC:  San Francisco Labor Council  
1188 Franklin Street, Suite 203  
San Francisco, California 94109  
Attention: Tim Paulson  
Facsimile: 415.440.9297

With a copy to:  Law Office of Julian Gross  
870 Market Street, Suite 915  
San Francisco, California 94102  
Attention: Julian Gross, Esq.  
Facsimile: 415.544.9946

If to SF-ACORN:  San Francisco ACORN  
5319 Mission Street  
San Francisco, California 94112  
Attention: John Eller  
Facsimile:  

With a copy to:  Law Office of Julian Gross  
870 Market Street, Suite 915  
San Francisco, California 94102  
Attention: Julian Gross, Esq.  
Facsimile: 415.544.9946

or to such other address as either Party may from time to time specify in writing to the other Party. Any notice or other communication delivered as herein above provided shall be deemed effectively given (a) on the date of delivery, if delivered in person; (b) on the date mailed if sent by certified mail, postage prepaid, return receipt requested or by a commercial overnight courier; or (c) on the date of transmission, if sent by facsimile with confirmation of receipt. Such notices shall be deemed received (a) on the date of delivery, if delivered by hand or overnight express delivery service; (b) on the date indicated on the return receipt if mailed; or (c) on the date of transmission, if sent by facsimile. If any notice mailed is properly addressed but returned for any reason, such notice shall be deemed to be effective notice and to be given on the date of mailing.
Any notice sent by the attorney representing a Party, shall qualify as notice under this Agreement.

10.16 References to this Agreement; Approvals. Numbered or lettered articles, sections and subsections herein refer to articles, sections and subsections of this Agreement unless otherwise expressly stated. Except as otherwise expressly stated herein, all approvals by any Party shall be in the sole and absolute discretion of such Party. All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

10.17 Interpretation. Specific provisions of this Agreement shall take precedence over conflicting general provisions.

10.18 Gender and Number. Whenever the context requires or clearly indicates, the singular shall include the plural, and vice versa, and the male, female and neuter genders shall include each of the others.

10.19 Authority of Signatories. The individuals executing this Agreement represent and warrant that they have the authority to sign on behalf of their respective Parties.

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

10.21 Further Assurances. The Parties agree, without further consideration, to take such actions and execute such additional documents as are reasonably necessary to carry out the provisions of this Agreement.

[ REMAINDER OF PAGE INTENTIONALLY LEFT BLANK ]
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date set forth in the introductory paragraph of this Agreement.

LENNAR – BVHP, LLC,
a California limited liability company

By: Lennar Southland I, Inc.,
a California corporation
its Managing Member

By: 
Name: Kofi Bonner
Title: Vice President

LENNAR COMMUNITIES, INC.,
a California corporation

By: 
Name: Kofi Bonner
Title: Vice President

[ SIGNATURES CONTINUE ON FOLLOWING PAGE ]
SAN FRANCISCO ACORN,
a project of the Association of Community Organizations for Reform Now,
an Arkansas nonprofit corporation

By: 
Name: 
Title: 

SAN FRANCISCO LABOR COUNCIL,
an unincorporated association maintaining nonprofit status as a 501(c)(5)

By: Tim Paulson
Name: Tim Paulson
Title: Executive Director

THE SAN FRANCISCO ORGANIZING PROJECT,
a California nonprofit corporation

By: Eleanor R. Williams
Name: Eleanor R. Williams
Title: Co-President
SAN FRANCISCO ACORN,
a project of the Association of Community Organizations for Reform Now,
an Arkansas nonprofit corporation

By: ____________________________
Name: Michael Jones
Title: Assistant Treasurer

SAN FRANCISCO LABOR COUNCIL,
an unincorporated association maintaining nonprofit status as a 501(c)(5)

By: ____________________________
Name: Tim Paulson
Title: Executive Director

THE SAN FRANCISCO ORGANIZING PROJECT,
a California nonprofit corporation

By: ____________________________
Name: Eleanor R. Williams
Title: Co-President
ATTACHMENT A

First Source Hiring Program

SECTION I. PURPOSE.

The purpose of this First Source Hiring Program is to facilitate the employment of Targeted Job Applicants by Employers in the Project. It is a goal of this First Source Hiring Program that the processes contemplated herein will benefit Employers in the Project by providing a pool of qualified job applicants whose job training has been specifically tailored to the needs of Employers in the Project through a non-exclusive referral system.

SECTION II. DEFINITIONS.

As used in this First Source Hiring Program, the following capitalized terms shall have the following meanings. Capitalized terms used but not defined in this First Source Hiring Program shall have the meanings ascribed to them in the CCBA.

“CCBA” shall mean that certain Core Community Benefits Agreement originally executed on or about May 30, 2008, to which this Program is attached as Attachment A.

“Contract” shall mean a contract related to use, maintenance, or operation of the Project or part thereof.

“Contractor” shall mean a prime contractor, a subcontractor, or any other business entering into a contract related to the use, maintenance, or operation of the Project or part thereof. “Contractor” shall not include Tenants or construction contractors. “Contractor” shall not include consultants, which are defined as businesses retained solely to provide expert advice or to produce a written work product.

“Covered Job” shall mean any entry-level job as determined by the First Source Referral System (“Entry Level”) for which at least half of work hours are performed on–Site, except for jobs for which hiring procedures are governed by a collective bargaining agreement that conflicts with the First Source Hiring Program described in this Program. If the Implementation Committee determines that the First Source Referral System has capacity to refer substantial numbers of Targeted Applicants in categories other than Entry Level jobs, then Covered Jobs shall also mean jobs in such categories.

“Program” shall mean this First Source Hiring Program.

“Employer” shall mean a non-governmental business or nonprofit corporation that conducts any portion of its operations in the Project Site, with at least eight (8) regular full time equivalent employees. “Employer” includes but is not limited to Tenants, Contractors, and landowners conducting any portion of operations on-Site. “Employer” shall include the Developer.

“First Source Referral System” shall mean the organization designated by the Agency to operate and administer the First Source Hiring Program.
“Goal” shall mean with respect to an Entry Level job, fifty percent (50%), and with respect to any additional category of Covered Jobs as determined by the Implementation Committee, a percentage as determined by the Implementation Committee.

“Low-Income Individual” shall mean an individual whose household income is no greater than eighty percent (80%) of AMI.

“Moderate-Income Individual” shall mean an individual whose household income is no greater than one hundred percent (100%) of AMI.

“Targeted Job Applicant” shall mean an individual referred to an Employer by the First Source Referral System. It is anticipated that the First Source Referral System will refer individuals in the following categories, with prioritization as described below:

- First Priority: individuals whose residence or place of employment has been displaced as part of the Project; and San Francisco Housing Authority Residents and rent assisted Residents living in District 10, with emphasis on residents of Alice Griffith, Hunters View, Hunters Point, Potrero Annex and Terrace, Westbrook and Sunnyvale.
- Second Priority: Low- and Moderate-Income individuals living in District 10.
- Third Priority: Low- and Moderate-Income individuals living in zip codes within the City in which the average household income is no greater than fifty percent (50%) of AMI.

“Tenant” shall mean any entity that enters into a lease agreement or similar agreement for use of space within the Project Site. “Tenant” shall not include any individual person whose legal residence is in the Project Site.

SECTION III. FIRST SOURCE HIRING PROGRAM.

A. Coverage. This First Source Hiring Program shall apply to hiring by Employers for all Covered Jobs.

B. Long-Range Planning. No later than six months prior to initial hiring for any Covered Job by an Employer, that Employer shall provide to the First Source Referral System its best available estimate of the approximate number and type of jobs that will need to be filled and the basic qualifications necessary. An Employer whose first enters into a Contract or lease agreement less than six months prior to initial hiring for Covered Jobs shall provide such information within two weeks of entering into the Contract or lease agreement. Each Employer shall, at the time of provision of information under this Section III.B, designate a liaison for issues related to this First Source Hiring Program.

C. Hiring process.
(1) **Notification of job opportunities.** Prior to hiring for any Covered Job, an Employer will notify the First Source Referral System of available job openings and provide a description of job responsibilities and qualifications, including expectations, salary, work schedule, duration of employment, required standard of appearance, and any special requirements (e.g. language skills, drivers’ license, etc.). Job qualifications shall be limited to skills directly related to performance of job duties.

(2) **Hiring.**

   a. When hiring employees for any Covered Job prior to commencement of an Employer’s operations in the Project Site, an Employer will hire only qualified Targeted Job Applicants for a three-week period following the notification of job opportunities described in Section III.C.1, above.

   b. When making hires after the commencement of operations in the Project, an Employer will hire only Targeted Job Applicants for a five-day period following the notification of job opportunities described in Section III.C.1, above.

   c. During the periods described in Sections III.C.(2).a-b, above, Employers will use normal hiring practices, including interviews and evaluations, to consider all individuals referred by the First Source Referral System.

   d. After the periods described in Sections III.C.(2).a-b, above, Employers shall make good-faith efforts to hire Targeted Job Applicants, but may hire any applicant recruited or referred through any source.

   e. Employers shall promptly inform the First Source Referral System once a Covered Job is filled, and whether or not the Employer hired a Targeted Job Applicant for that position.

D. **Goal.** Any Employer who has filled more than the Goal for the Covered Jobs available during a particular six-month period with Targeted Job Applicants, shall be deemed to be in compliance with this First Source Hiring Program for all hiring during that quarter. Any Employer who has complied with remaining provisions of this First Source Hiring Program is in compliance with this First Source Hiring Program even if it has not met the Goal during a particular six-month period.

E. **No Referral Fees.** Employers shall not be required to pay any fee, cost or expense of the First Source Referral System or any potential employees referred to the Employer by the First Source Referral System in connection with such referral.

F. **[Reporting And Recordkeeping Requirements; Meet & Confer.]**

SECTION IV. **MISCELLANEOUS.**

A. **Compliance with State and Federal Law.** This Program shall only be enforced to the extent that it is consistent with the laws of the State of California and the United States. If any provision of this Program is held by a court of law to be in conflict with state or federal law,
the applicable law shall prevail over the terms of this Program, and the conflicting provisions of this Program shall not be enforceable.

**B. Compliance with Court Order.** Notwithstanding the provisions of this Program, the Developer, Employers, Tenants, and Contractors shall be deemed to be in compliance with this Program if subject to by a court or administrative order or decree, arising from a labor relations dispute, which governs the hiring of workers and contains provisions which conflict with terms of this Program.

**C. Severability Clause.** If any term, provision, covenant, or condition of this Program is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Program shall continue in full force and effect.

**D. Binding on Successors.** This Program shall be binding upon and inure to the benefit of the successors in interest, transferees, assigns, present and future partners, subsidiary corporations, affiliates, agents, representatives, heirs, and administrators of each party that agrees to the terms of this Program. Any reference in this Program to a party shall be deemed to apply to any successor in interest, transeree, assign, present or future partner, subsidiary corporation, affiliate, agent, representative, heir, or administrator of such party.

**E. Lease Agreements and Contracts.** Tenants and Contractors shall not execute any Contract, or any lease agreement or similar agreement related to the rental, lease, or occupancy of the entirety of or any portion of the Site, unless the entirety of this Program is included as a material term of the Contract or lease agreement in question.

**F. Material Terms.** The provisions of this Program are material terms of any deed, lease, or contract in which it is included.

**G. Assurance Regarding Preexisting Contracts.** Each Tenant and Contractor warrants that as of the date of execution of any contract incorporating this Program, it has executed no lease agreement, contract, or purchase agreement that would violate any provision of this Program had it been executed after the effective date of this Program.

**H. Intended Beneficiaries.** The Coalition are intended third-party beneficiaries of contracts and other agreements which incorporate this Program, with regard to the terms and provisions of this Program. The City, the Agency and the Coalition shall each independently have the right to enforce the provisions of this Program against all parties incorporating this Program into contracts or other agreements.

**I. Term.** This Program shall become effective on the date of mutual execution of any contract or agreement into which it is incorporated, and shall terminate upon expiration or termination of that contract or agreement. Upon termination of the effectiveness of this Program as described in this Section I, all entities with responsibilities under this Program shall have no further responsibilities.
ATTACHMENT B
Support Letter

[Organization Letterhead]

[Date]

[Recipient]

re: Integrated Development of the Hunters Point Shipyard and Candlestick Point

Dear [Recipient]:

This letter states [Organization’s] support of the integrated development of the Hunters Point Shipyard and Candlestick Point (the “Project”).

[Organization] worked with numerous District 10 community stakeholders, including the Hunters Point Shipyard Citizens Advisory Committee, the Bayview Project Area Committee, the Mayor’s Office of Housing and Office of Workforce and Economic Development, and the San Francisco Redevelopment Agency, to assess the needs of the Bayview Hunters Point community. We also conducted an extensive review of the project development plan and its financial feasibility.

In May of 2008, we entered into a Core Community Benefits Agreement (“CCBA”) with the developers of this important Project. The legally-binding CCBA contains the developers’ unprecedented commitments for the provision of community benefits related to affordable housing, workforce development and employment.

We are proud to join with so many community-based organizations and leaders, particularly Bayview Hunters Point organizations, in support of this Project which will speed the environmental clean-up of the Shipyard while bringing affordable homes, economic opportunities and new parks and open space to the Bayview.

[Organization] and the other community-based organizations that signed the CCBA believe that the Project provides strong, enforceable commitments on issues of major importance to the community. [Organization] therefore urges the developer, the City and County of San Francisco, the San Francisco Redevelopment Agency, and all community members to resolve all issues in a way that addresses the needs of Bayview Hunters Point and allows this important project to be built in a financially feasible manner.

The Bayview Hunters Point community has waited long enough for the substantial benefits of this Project. We hope you will join with us in support of this community-supported plan.

Sincerely,

[name]
[position with Organization]