

EXHIBIT 1

AMENDED AND RESTATED LOCAL GOALS AND POLICIES AND APPRAISAL STANDARDS FOR COMMUNITY FACILITIES DISTRICTS CITY OF OAKLAND

The City of Oakland ("City") hereby sets forth the following local goals and policies and appraisal standards ("**Local Goals and Policies**") in compliance with Section 53312.7 of the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) ("**Act**").

General Policy

The Local Goals and Policies delineated below have been prepared to provide guidelines for the City Council for the use of Community Facilities Districts ("**CFD**"). Proceedings to establish a CFD may be initiated by a petition of one or more property owners or by the City through a resolution adopted by the City Council.

The City shall consider the use of CFDs for (1) acquiring, constructing or providing financing for all or a prescribed portion of the cost and expense of public capital improvements ("**Public Improvements**") to be owned by the City or by such other public agencies or regulated public utility companies that serve a public purpose for the City and its inhabitants, (2) financing all or a prescribed portion of the estimated administrative cost and expense of maintaining and operating such Public Improvements, and (3) providing services permitted by the Act.

Priorities

The City hereby establishes the following priority for the implementation of CFDs:

1. Public Improvements which provide a community-wide benefit to all inhabitants of the City;
2. Public Improvements needed to serve a community plan or specific plan area that is currently deficient in off-site infrastructure needed to develop the area as planned;
3. Other Public Improvements for which there is a clearly demonstrated public benefit but which benefit is likely to be greater to specific sub-areas of the City rather than *community-wide*;
4. The administrative cost and expense of maintaining and operating any of the foregoing Public Improvements; and
5. Other improvements as permitted under the Act;

FISCAL AGREEMENT
(Brooklyn Basin/Oak-to-Ninth Project)

This Fiscal Agreement (this “**Agreement**”) is made and entered into this ___ day of _____, 2017 (the “**Effective Date**”), by and between the **City of Oakland, California**, a charter city and municipal corporation of the State of California (the “**City**”), and **Zarsion-OHP I, LLC**, a California limited liability company (the “**Developer**”).

RECITALS

A. The Developer is the owner of that certain real property located in the City of Oakland, California and more particularly described in Exhibit A-1 attached hereto (the “**Developer Development Parcels**”). The Developer is the ground lessee of that certain real property owned by the Port of Oakland, located in the City of Oakland, California and more particularly described in Exhibit A-2, attached hereto (the “**Open Space Property**”). The Developer has previously transferred that certain real property located in the City of Oakland, California and more particularly described in Exhibit A-3 attached hereto, to certain Finished Parcel Developers (as such term is defined in the Development Agreement (defined below)) (the “**FPD Development Parcels**”). The City is the owner of that certain real property located in the City of Oakland, California and more particularly described in Exhibit A-4 attached hereto (the “**City Development Parcels**”). The Developer Development Parcels, the FPD Development Parcels and the City Development Parcels are collectively referred to herein as the “**Development Parcels**.” The Development Parcels and the Open Space Property are collectively referred to herein as the “**Project Property**.”

B. The Project Property is commonly referred to as the “**Brooklyn Basin Project**” (the “**Project**”), and is entitled for development as a mixed-use, master planned community that will include, when completed, up to 3,100 residential units, up to 200,000 square feet of commercial/retail uses and approximately 30 acres of open space/park uses.

C. The Project is the subject of that certain Development Agreement, by and between the City and the Developer (as successor-by-assignment to Oakland Harbor Partners, LLC), dated August 24, 2006 and recorded in the Official Records of Alameda County as Document No. 2006-331819, as amended by that certain First Administrative Amendment to Development Agreement, dated August 28, 2014 and recorded in the Official Records of Alameda County as Document No. 2014-211182 (as amended, the “**Development Agreement**”) and those Conditions of Approval for the Project approved by the City on August 24, 2006 (the “**Conditions of Approval**”). Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Development Agreement.

D. The Development Agreement and the Conditions of Approval contemplate that the Developer will construct certain park facilities, open space, right of way improvements, and other public improvements as part of the Project at the Developer’s sole expense. The foregoing improvements to be installed by the Developer and the park and such other improvements that are specified to be the responsibility of the City as identified in Section 4.4.2 of the Development Agreement are collectively referred to herein as the “**Public Improvements**.”

E. In accordance with the Development Agreement, the City will form a Mello-Roos Community Facilities District pursuant to California Government Code Section 53311 et seq., (the “**District**”) to provide a perpetual source of funds to pay the cost of maintaining the Public Improvements as set forth on Exhibit B attached hereto (the “**Services**”).

F. As more particularly set forth in the District formation documents, the special tax will be levied against those Development Parcels that have been issued a Building Completion Confirmation (defined herein) (excluding any property that is subject to any statutory exemptions).

G. The City has determined that the District is unlikely to generate sufficient revenue each year prior to Project Completion. Therefore, the City has required, and the Developer has agreed to enter into this Agreement to memorialize the Developer’s agreement to pay any shortfall between the actual Special Tax Revenue (defined herein) received, if any, by the District and the Full Cost of the Services (defined herein) in any such year until Project Completion.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises contained herein and other good and sufficient consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I DEFINED TERMS

In addition to other terms defined herein, each of the following capitalized terms shall have the meaning set forth below:

“**Bankruptcy Code**” means Title 11 of the United States Code, as amended, and any successor statute or statutes having substantially the same function.

“**Building Completion Confirmation**” means, for any building constructed on a Development Parcel, the City’s issuance of a temporary or final certificate of occupancy.

“**District**” or “**CFD**” means City of Oakland Community Facilities District No. 2017-1 (Brooklyn Basin Public Services).

“**District Budget**” means the Brooklyn Basin CFD Annual Maintenance Costs at Buildout adopted or approved in conjunction with the formation of the District.

“**Fiscal Year**” means a fiscal year of the City, commencing on July 1 of each calendar year and expiring on June 30 of each calendar year.

“**Full Cost of Services**” means the greater of (a) the complete, actual costs, including all direct and indirect costs and scheduled reserves (each subject to any limitations included in the District Budget), incurred by the District in the delivery of the Services and (b) the aggregate

maximum annual tax permitted to be levied against the Development Parcels under the District formation documents.

“**Meet and Confer Notice**” means a written notice delivered by the Developer to the City requesting a meeting to discuss a projected Shortfall.

“**Project Completion**” means the date that the special tax under the District is levied against all of the Development Parcels (excluding any property that is subject to any statutory exemptions or that has been subdivided as a right-of-way or other non-development parcel).

“**Project Property**” is defined in Recital A.

“**Reserve Fund**” means an account established by and held by the City to fund the repair and replacement of facilities required by the CFD to provide the Services [pursuant to Section 33317(j) of the Act].

“**Reserves**” means the portion of Special Tax Revenues levied each year for deposit in the Reserve Fund.

“**Shortfall**” means for each Fiscal Year, the amount by which the Full Cost of the Services during said Fiscal Year (including amounts to be set aside for Reserves for such Fiscal Year) exceeds the amount of Special Tax Revenue (excluding any Special Tax Revenue allocated for other scheduled reserves) collected during the preceding Fiscal Year.

“**Special Tax Revenue**” means the amount of special taxes collected by the District in a Fiscal Year.

ARTICLE II REPRESENTATIONS

Section 2.1 The Developer represents and warrants as follows:

(a) It is a limited liability company duly incorporated, validly existing and in good standing under the laws of the State of California, and has corporate and other legal power and authority to enter into and to perform the agreements and covenants on its part contained herein, and has duly authorized the execution, delivery and performance of and has duly approved this Agreement.

(b) The execution and delivery by the Developer of this Agreement and the performance by the Developer of its obligations hereunder: (i) do not violate any provision of statutory law or regulation applicable to the Developer; (ii) do not violate its articles of organization or operating agreement; (iii) do not breach or result in a default under any other agreement to which it is a party; and (iv) do not violate the terms of any judicial or administrative judgment, order, decree or arbitral decision that names the Developer and is specifically directed to it or its properties.

(c) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending, or, to the best knowledge of the

Developer, threatened against or affecting the Developer wherein an unfavorable decision, ruling or finding would adversely affect the transaction contemplated by, or the validity or enforceability of, this Agreement.

(d) No further authorizations, consents or approvals of governmental bodies or agencies are required in connection with the execution and delivery by the Developer of this Agreement or in connection with the carrying out by the Developer of its obligations under this Agreement.

ARTICLE III COVENANTS

Section 3.1 By no later than May 15 of each calendar year, beginning in the 2018 calendar year, the City will notify the Developer of any actual Shortfall for the current Fiscal Year and any Shortfall projected for the succeeding Fiscal Year and provide a detailed accounting to the Developer of the projected Shortfall. The Developer shall pay said projected Shortfall to the City within fifteen (15) business days after the Developer's receipt of said notice. The Developer's obligations under this Agreement includes payment of any Shortfall related to the FPD Development Parcels and portions of the Developer Development Parcels which are transferred to third parties at any time prior to or after the Effective Date. The Developer shall be entitled to an offset against the projected Shortfall for any outstanding Overpayment (defined herein) then due by the City.

Provided that the Developer has timely paid the projected Shortfall, upon the City's receipt of a Meet and Confer Notice, the parties shall meet and confer within five (5) business days after the City's receipt of such notice to discuss the Developer's questions regarding the projected Shortfall. The City shall provide the Developer with written notice of whether or not the City has determined that an adjustment should be made to the projected Shortfall within fifteen (15) business days after the City's receipt of the Meet and Confer Notice. If the City determines that the projected Shortfall should be reduced, the City shall reimburse the amount of the reduction to the Developer within eighty (80) calendar days after the City's receipt of the Meet and Confer Notice. The City's failure to timely meet and confer or to provide a written notice as a result of such meet and confer shall toll any time periods related to the Developer's right to appeal or challenge the City's initial assessment of the projected Shortfall. The foregoing procedure shall not be deemed a waiver of (a) the Developer's rights under this Agreement or (b) the Developer's right to appeal/challenge the City's initial assessment of the projected Shortfall.

Within ninety (90) calendar days after the end of a Fiscal Year, the City shall conduct a true-up analysis for such Fiscal Year that considers the following matters applicable to such Fiscal Year: actual Special Tax Revenue, less Reserves, the Full Cost of the Services, and the amount of the projected Shortfall paid by the Developer. To the extent the Full Cost of the Services for that Fiscal Year are less than the aggregate of (i) the Special Tax Revenue, less Reserves, and (ii) the funds paid by the Developer with respect to the projected Shortfall for that Fiscal Year ("**Overpayment**"), the City shall reimburse the Developer for the Overpayment within one hundred and fifty (150) calendar days after the end of the subject Fiscal Year. To the extent the Full Cost of the Services for that Fiscal Year are greater than the aggregate of (a) the Special Tax Revenue, less Reserves, and (b) the funds previously paid by the Developer with respect to the projected Shortfall for that Fiscal Year ("**Underpayment**"), the City shall notify

the Developer that additional funds are required, and the Developer shall pay the City the amount of the Underpayment within fifteen (15) business days of the Developer's receipt of said notice.

Section 3.2 The District shall maintain such books and records related to the provisions of the Services and Special Tax Revenue as are required by applicable law. The Developer shall have the right to request copies of, and access to, the District's books and records related to the determination of the cost of the Services and Special Tax Revenue; however, such a request may not be made more frequently than once per calendar year. The City shall cooperate with and give all reasonable assistance to any auditor, accountant or bookkeeper retained by the Developer to access and review the District books and records with respect to the Services. Such access will be provided only during regular business hours of the City at City offices and only after the Developer gives the City fourteen (14) calendar days' prior written notice. Upon completion of any inspection of the District's books and records, the results shall be sent to the City and, if applicable, any Overpayment or Underpayment shall be corrected pursuant to the provisions of Section 3.1 above. Developer shall reimburse the City for all of its costs and expenses in connection with providing such access and copies, including without limitation City staff time and overhead.

Section 3.3 The City shall deposit Shortfall payments in the District account and utilize funds received from the Developer under this Agreement solely to pay costs for the Services.

Section 3.4 The following shall be excluded from the calculation of any projected and actual Shortfall:

(a) Any Services (and corresponding costs) related to Project improvements that have not been constructed or accepted by the City or the CFD for permanent maintenance;

(b) Any Services (and corresponding costs) that the Developer is obligated under the Development Agreement and other Project approvals (including, without limitation, any Subdivision Improvement Agreement, and the applicable Conditions of Approval and Mitigation Monitoring and Reporting Program approved by the City Council on January 20, 2009), to perform, at the Developer's sole cost;

(c) The services set forth in Section 4.4.4.3 of the Development Agreement (the parties acknowledge that the services set forth in items (i) and (ii) thereof shall be performed by the Project homeowners' association and the Developer hereby waives any right to require that the services set forth in item (iii) thereof be included in the District); and

(d) Pursuant to Section 4.4.4.4 of the Development Agreement, any additional maintenance and security related to special events not expressly included in the Services, the costs of which shall be reimbursed to the City by the sponsor of such events.

Section 3.5 After Project Completion, the Developer shall have no further Shortfall payment obligations to the City or the District under this Agreement, other than those relating to or arising from periods prior to Project Completion.

ARTICLE IV
EVENTS OF DEFAULT AND REMEDIES

Section 4.1 Events of Default. The following shall be Events of Default hereunder:

(a) Failure by the Developer or the City to make any payment required to be made hereunder when due or comply with any required meet and confer procedures required by this Agreement within a reasonable time after the defaulting party's receipt of a written notice from the other party;

(b) Any representation by the Developer contained in this Agreement that proves false or misleading in any material respect as of the date hereof;

(c) Failure or non-compliance by the Developer or the City to observe or perform any of its other covenants or agreements under this Agreement for a period of ninety (90) calendar days after delivery of written notice, specifying such failure and requesting that it be remedied, is given to the defaulting party;

(d) The Developer shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, assignee, sequestrator, trustee, liquidator or similar official of the Developer or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as such debts become due, (iii) make a general assignment for the benefit of its creditors, (iv) commence a voluntary case under the Bankruptcy Code, (v) file a petition seeking to take advantage of any other federal or state law relating to bankruptcy, insolvency, reorganization, arrangement, winding-up or composition or adjustment of debts, or (vi) take any corporate action for the purpose of effecting any of the foregoing; or

(e) A proceeding or case shall be commenced, without the application or consent of the Developer, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, arrangement, dissolution, winding-up or composition or adjustment of debts of the Developer, (ii) the appointment of a trustee, receiver, custodian, assignee, sequestrator, liquidator or similar official of the Developer or of all or any substantial part of its assets, or (iii) similar relief in respect of the Developer under any law relating to bankruptcy, insolvency, reorganization, arrangement, winding-up or composition or adjustment of debts and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of ninety (90) calendar days from the commencement of such proceeding or case or the date of such order, judgment or decree, or an order for relief against the Developer shall be entered in an involuntary case under the Bankruptcy Code.

Section 4.2 Remedies on Default. Upon the occurrence of an Event of Default, the non-defaulting party may take whatever action at law or in equity may appear necessary or desirable to collect the amounts payable pursuant hereto then due or to become due or to enforce the performance and observance of any obligation, agreement or covenant under this Agreement.

ARTICLE V
MISCELLANEOUS

Section 5.1 Notices. All notices, approvals, consents, requests, and other communications hereunder shall be in writing and shall be deemed to have been given when the writing is delivered if given or delivered by hand, overnight delivery service or facsimile transmitter (with confirmed receipt) to the address or facsimile number set forth below and shall be deemed to have been given on the date deposited in the mail, if mailed, by first-class, registered or certified mail, postage prepaid, addressed as set forth below. The parties hereto may, by written notice given hereunder, designate any different addresses, phone numbers and facsimile numbers to which subsequent notices, certificates, approvals, consents, requests or other communications shall be sent.

To the City: City of Oakland
 Department of Public Works
 250 Frank Ogawa Plaza, 4th floor
 Oakland, CA 94612
 Attn: Director of Public Works
 Tel: (510) 238-3961

with copy to: Oakland City Attorney's Office
 One Frank Ogawa Plaza, 6th Floor
 Oakland CA 94612
 Attn: Finance Team
 Tel: (510) 238-3601

 City of Oakland
 Zoning and Major Projects Divisions
 250 Frank Ogawa Plaza, Suite 2114
 Oakland, CA 94612
 Tel: (510) 238-3911

To Developer: Zarsion-OHP I, LLC
 c/o Signature Development Group, Inc.
 2335 Broadway, Suite 200
 Oakland, CA 94612
 Attn: Michael Ghielmetti
 Tel: (510) 251-9271
 Email: mghielmetti@signaturedevelopment.com

with a copy to: Marc Stice, Esq.
 Stice & Block, LLP
 2335 Broadway, Suite 201
 Oakland, CA 94612
 Tel: (510) 735-0032
 Email: mstice@sticeblock.com

Section 5.2. Entire Agreement as to Shortfall; Amendment. This Agreement constitutes the entire agreement between the parties with respect the Developer's obligation to address a Shortfall as described herein, and supersedes and replaces all prior or contemporaneous discussions, negotiations, letters, memoranda or other communications, oral or written, with respect to the specific subject matter addressed herein , including any such terms set forth in that Estoppel Certificate dated April 13, 2015. Notwithstanding the foregoing, this Agreement is intended solely for the purpose of supplementing, refining, clarifying and further defining certain obligations established in the Development Agreement, the Conditions of Approval, and other Project Approvals, each of which remain in full force and effect. Nothing in this Agreement shall be construed to limit, abrogate, or supersede any rights and obligations of the City or the Developer under the Development Agreement, Conditions of Approval or other Project Approvals, or construed to contradict any of the District formation documents or proceedings. This Agreement may only be subsequently modified or amended in a writing signed by both the parties.

Section 5.3 Partial Invalidity. If any provision of this Agreement is finally declared by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect, and to the extent possible, the invalid, void or unenforceable provision shall be replaced by a valid, enforceable provision which most closely achieves the intent of the invalid, void or unenforceable provision.

Section 5.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action to enforce this Agreement shall be brought in Alameda County.

Section 5.5 No Waiver. No failure or delay of a party hereto in the exercise of any right given to such party hereunder or by law shall constitute a waiver thereof, nor shall any single or partial exercise of any such right preclude other further exercise thereof or of any other right. The waiver by a party hereto of any breach of any provision hereof shall not be deemed to be a waiver of any subsequent breach thereof, or of any breach of any other provision hereof.

Section 5.6 Successors and Assigns. The parties respectively, bind themselves, and their respective successors and assigns to the other party to this Agreement, and to the successors and assigns of such other party with respect to all covenants of this Agreement. Neither party shall assign its rights under this Agreement or any of its obligations under this Agreement to any other party without the prior written consent of the other party, which consent may be granted, withheld or conditioned in such party's sole and absolute discretion.

Section 5.7 Further Assurances. Each party hereto will whenever reasonably requested by the other party, at no additional cost to the responding party, execute or cause to be executed all such instruments or agreements as may be necessary in order to carry out the purpose of this Agreement, and each party shall do all other acts necessary or reasonably requested by the other party to carry out the intent and purpose of this Agreement.

Section 5.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall comprise a single instrument.

Section 5.9. Exhibits. All exhibits attached hereto are by reference hereby made a part hereof.

Section 5.10 Time of Essence. Time is of the essence as to each provision of this Agreement.

[Signatures on next page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their
duly authorized representatives.

CITY OF OAKLAND

By: _____
City Administrator

Approved as to form and legality:

City Attorney

DEVELOPER:

Zarsion-OHP I, LLC,
a California limited liability company

By: _____
Name: _____
Title: _____