

ATTACHMENT B

**RESIDENTIAL LDDA TERM SHEET
73RD AVENUE AND FOOTHILL BOULEVARD (Parcel 2)
(Liberation Park Residences)**

January 23, 2024

This term sheet shall serve as the basis for the negotiation of a detailed final Lease Disposition and Development Agreement (“**LDDA**”), between the City of Oakland, a municipal corporation (the “**City**”), and Liberation Park Residences, L.P., a California limited partnership and/or their affiliated entities (collectively, the “**Developer**”). City and Developer shall be referred to herein sometimes as the “**Parties**” and each individually a “**Party**.” The terms hereof are not binding on the parties until Developer and City, pursuant to City Council authorization, have executed a mutually acceptable LDDA for the proposed project. The final LDDA may include terms that differ from, or are in addition to, the terms set forth in this term sheet.

1	OWNER	City of Oakland, a municipal corporation located in Alameda County, California.
2	DEVELOPER	Liberation Park Residences, L.P., a California limited partnership, an affiliate of the Black Cultural Zone Community Development Corporation, a California nonprofit public benefit corporation (“ BCZ ”) in partnership with Eden Housing, Inc., a California nonprofit public benefit corporation (“ Eden Housing ”) and/or their affiliated entities.
3	PROPERTY	The City owns approximately 1.22-acres (53,143 square-feet) of land, having the Assessor’s Parcel Number (APN): 039-3291-020 near the intersection 73rd Avenue and Foothill Boulevard, as more particularly described on <u>Exhibit A</u> attached hereto (the “ Property ”). A portion of the Property comprised of approximately 0.73 acres (32,003 square feet) is anticipated to be ground leased by Developer, as more particularly described and depicted on <u>Exhibit B</u> attached hereto (“ Parcel 2 ”). The City also intends to ground lease or transfer a fee interest in the remainder of the Property to BCZ in partnership with Community Arts Stabilization Trust, a California nonprofit public benefit corporation (“ Parcel 1 Developer ”), which will create another parcel (“ Parcel 1 ”), for the development of a Market Hall &

		<p>Cultural Center (“<i>Parcel 1 Development</i>”). NOTE: The Planning Bureau has approved a Tentative Parcel Map (“<i>TPM</i>”) to subdivide the Property into two legal parcels upon closing. Such TPM will create a new Parcel 2, as more particularly described and depicted on Exhibit B attached hereto. Developer agrees and acknowledges that the TPM shall not be recorded unless and until the City specifically directs its recordation at or prior to the recordation of the ground lease for Parcel 2.</p> <p>The Property is subject to that certain License Agreement by and between the City and BCZ, dated as of May 20, 2020, as amended a second time on February 20, 2022, for the purpose of creating a community service outdoor market in the form of a pop-up village (“<i>Existing License</i>”). The Existing License expires on October 19, 2023, but the parties acknowledge that the licensed use may be extended by the City until commencement of construction on Parcel 2.</p> <p>The Property is also subject to various deed restrictions related to food sales, automotive sales, entertainment uses (including but not limited to gambling, adult book stores, bars), school uses (excepting child care activities), warehouse uses, industrial uses, tattoo and massage parlors, as more particularly described in the following documents recorded in the Official Records of Alameda County: (1) Grant Deed recorded as Instrument No. 2008331603, and (2) Covenant Not To Compete recorded as Instrument 99272514, and is also subject to an easement for common areas, signs, and utilities as described in Instrument No. 99233481 (collectively, the “Restrictive Covenants”). The City is using commercially reasonable efforts to amend the Restrictive Covenants as they may relate to the proposed Project. Such amendment may include the recordation of a signage agreement as a condition of allowing certain food sales on the Property, but such signage agreement is unlikely to apply to Parcel 2.</p>
4	PROJECT DESCRIPTION	<p>The “<i>Project</i>” is proposed to include one free-standing building for residential use. The residential building will be a six-story over an underground garage that will house a total of one-hundred nineteen (119) units. Of the total units, one-hundred eighteen (118) will be 100% affordable and one (1) unit will be an unrestricted managerial unit. The residential building will comprise ten (10) studios, forty-four (44) one-bedroom units, thirty-three (33) two-bedroom units, and thirty-two (32) three-bedroom units. The affordable units will be</p>

		<p>priced within an Alameda County area median income range of 30% to 60%. Seven (7) of the units, including four (4) one-bedroom units, three (3) two-bedroom units, are designed as home occupation units for which artists will be given a preference. One (1) additional three-bedroom unit is designed to accommodate a licensable family child care operator and a family child care operator will be given a preference.</p> <p>The Project may also include up to thirty-six (36) residential parking spaces.</p> <p>As used herein, the Project is a sub-component of the “<i>Liberation Park Mixed-Use Development</i>” which includes the Project and the Parcel 1 Development and all Public Improvements (as defined herein) affecting the Property.</p>
5	OUTSIDE CLOSING DATE	<p>The “Outside Closing Date” will be thirty (30) months after the Effective Date of the LDDA. At Developer’s sole discretion, subject to there being no default, Developer may extend the LDDA by up to one (1) additional year (“First Extension”), which shall be exercised no earlier than one hundred-twenty (120) days and no later than thirty (30) days prior to the then existing Outside Closing Date. At the City Administrator’s sole discretion, which shall not be unreasonably denied, Developer may request to extend the LDDA by up to one (1) additional year (“Second Extension”), no earlier than one hundred-twenty (120) days and no later than thirty (30) days prior to the then existing Outside Closing Date.</p>
6	RIGHT OF ACCESS	<p>Environmental investigations have been completed for the Project. If any additional work is needed, the Developer and its agents shall have the right to enter the Property prior to the commencement of the term of the Ground Lease (as defined below) to conduct investigations and testing at Developer’s cost and pursuant to the LDDA. Except as may be permitted pursuant to the Existing License (if extended), Developer shall give at least five (5) business days’ advanced written notice to the City prior to entering the Property and shall take steps to minimize any disruption to the operations of any existing licensees of the Property, and subject to the rights of the Parcel 2 Developer. Developer and its agents shall have the right to access the Property for purposes of completing Developer’s due diligence work, subject to providing City with indemnity, insurance and other terms set forth in the LDDA or that certain Exclusive</p>

		<p>Negotiation Agreement by and between City and Developer dated effective as of February 10, 2022, as may be extended (the “<i>ENA</i>”) (NOTE: if entering upon the Property prior to the execution of the LDDA, a license or professional services agreement may be required if extensive testing is warranted). Notwithstanding the prior sentence, Developer shall not do any invasive testing without the prior written consent of City, which shall not be unreasonably withheld, conditioned or delayed and which City acknowledges may be required by Developer’s lenders and/or investor.</p> <p>If the market use allowed by the Existing License is desired during the LDDA term, the City may consider extending the Existing License.</p>
7	ENVIRONMENTAL INVESTIGATION	<p>If additional investigative work is needed, the Developer has, at its sole cost and expense, engaged its own environmental consultant to make such environmental site assessments or investigations of the Property with respect to possible contamination by hazardous materials as the Developer deems necessary, including conducting any “Phase I” and/or “Phase II” investigations of the Property. Notwithstanding Section 6 above, Developer has and shall conduct any such environmental investigations as follows:</p> <ul style="list-style-type: none"> a) Developer provided advanced notice of any Phase I surveys or inspections of the Property. b) Developer engaged SCA Environmental to conduct and completed limited Phase II investigations based on an approved work plan submitted to City staff. c) Developer may not conduct any additional Phase II investigations unless the City’s environmental specialist has reviewed and approved Developer’s proposed work plan. d) Developer has and shall continue to promptly deliver to the City a copy of all reports and assessments provided by the Developer’s consultants. e) Developer, its consultants and agents shall neither contact any agency having jurisdiction as to environmental matters over the Property concerning the environmental reports and assessments performed, nor provide such reports or assessments to such agency without the prior written consent of the City’s Environmental Protection and Compliance department. Violation of this provision shall constitute a material breach of the LDDA.

		<p>f) The Developer shall use its commercially reasonable efforts, and at its sole cost and expense, to cause its environmental consultants to agree that the City may rely on the contents of such reports and assessments and to provide an environmental reliance letter, on terms reasonably provided by the environmental consultant and approved by the City</p>
8	PRE-CONVEYANCE REQUIREMENTS	<p>As conditions precedent to the conveyance of the leasehold interest in Parcel 2 to the Developer through the ground lease (the “Ground Lease”), all of the following conditions must first be met by the date indicated for each condition in the schedule of performance (the “Schedule”), attached hereto as <u>Exhibit C</u>. The LDDA may contain provisions to extend certain dates by its terms, or by mutual agreement by the Developer and the City Administrator; provided, however, that except for the Extension, only the City Council, in its sole and absolute discretion, may extend the Outside Closing Date and the Completion of Construction date on behalf of the City past the dates allowed under the LDDA.</p>
	8.1 <u>Financial Plan</u>	<p>The Developer submitted initial financing plans for the Project on October 11, 2022, and March 15, 2023, which the City subsequently reviewed and approved as having met the Exhibit E: Performance Milestone, Task 5, described in the ENA. No later than the date set forth in the Schedule, the Developer shall have submitted to the City for its review and obtained the City’s approval of the following, which together will be referred to as the “Financial Plan”:</p> <ul style="list-style-type: none"> • A detailed cost breakdown of construction of the Project (the “Project Development Budget”) containing an itemized construction budget for the Project, showing all construction related and non-construction related costs, including reasonable contingencies, and the funding sources of payment for each item. • A unit distribution across AMI showing gross rents for all unit types. • A 30-year cash flow projection for the Project. • A copy of letters of commitment for construction financing and permanent financing from reputable institutional lenders, grant funding, equity contributions, tax credit allocations, and

		<p>other financing from external sources (including proposed joint ventures and Partnerships (as defined below)) as necessary to finance development of the entire Project.</p> <ul style="list-style-type: none"> • A certified financial statement or other financial statement in such form reasonably satisfactory to the City in its proprietary capacity, evidencing other sources of capital, sufficient to demonstrate that the Developer has adequate funds available and is committing such funds to cover the difference, if any, between the Developer's costs of development and construction and the amount available to Developer from external financing sources. • Any other evidence reasonably requested by the City demonstrating the economic and financial feasibility of the Project.
	<p><u>8.2 Financing and Financing Documents</u></p>	<p><u>Financing.</u> The Developer shall be permitted to grant one or more security interests in the Developer’s leasehold interest rights and beneficial interests under the LDDA and/or the Ground Lease in favor of a single lender or a group of public and private, institutional lenders solely in connection with financing of the Project.</p> <p>The Schedule shall allow time for Developer to use its best efforts to obtain competitive or other affordable housing financing (including, without limitation, state housing subsidy programs, Low Income Housing Tax Credits (LIHTCs), local subsidies), subject to the Outside Closing Date and Force Majeure, which shall in no event exceed in the aggregate twelve (12) months unless the LDDA is extended by the City Council.</p> <p>“Force Majeure” shall mean delays or defaults that are due to war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; pandemics (except COVID-19 and its variants, which is a known and foreseeable condition), governmental orders that require closure of the premises, or epidemics. If a delay is caused by COVID-19 or its variants, Developer shall provide written notice to the City of the specific delay and the specific cause, and the City and Developer shall meet and confer in good faith to mutually agree to an extension related to the particular delay on a case-by-case basis.</p>

		<p><u>Financing Documents</u>. Not later than the date set forth on the Schedule, Developer shall have submitted to the City for its review and obtained the City’s approval in its proprietary capacity of a draft of the form of all documents to be used for financing construction of the Project pursuant to the approved Financial Plan (the “Financing Documents”). Prior to closing of the financing, the Developer shall submit to the City the final Financing Documents for the City’s review and approval. The full execution of the Financing Documents and the closing of all construction financing for the Project shall be a concurrent condition to conveyance of Parcel 2 to Developer.</p>
	8.3 <u>Schematic Designs</u> .	<p>Developer has submitted to the City for its review and obtained the City’s approval, in its proprietary capacity, of the Schematic Design Plans for the Project except for designs of the Public Improvements (as defined in subsection 8.5). The term “Schematic Design Plans” means schematic drawings, exterior elevations, site plans, floor plans and a garage layout, unit plans (including square footage), a landscaping plan, schematic plans for street and sidewalk improvements, and a sample materials board.</p>
	8.4 <u>Design Development Plans</u> .	<p>By no later than the deadline set forth in the Schedule, Developer shall have submitted to the City for its review and obtained the City’s approval, in its proprietary capacity, of the Design Development Plans for construction of the Project. The term “Design Development Plans” means drawings, outline specifications and other documents based on the Schematic Design Plans that fix and describe the size and character of the Project as to architectural and basic structural systems, materials and other elements as appropriate.</p>
	8.5 <u>Public Improvements</u> .	<p>The Liberation Park Mixed-Use Development (including the Project and the Parcel 1 Development) may include a number of Public Improvements as required by conditions of approval (PLN 22196). By no later than the deadline set forth in the Schedule, Developer shall have submitted designs for all such Public Improvements on the Property in sufficient detail for the City to review and approve such Public Improvements in both its proprietary capacity and its regulatory capacity by the appropriate City departments as part of standard review and permitting processes. For purposes of this subparagraph, the term “Public Improvements” shall include, without limitation, such matters and improvements as: (1) any permanent closure or rerouting of or improvements to any existing public streets or sidewalks; (2) any street lights that may need to be</p>

		<p>replaced or installed; (3) any relocation of existing utilities and easements to the extent required under planning and building approvals for the Project; and (4) any act that may be required to be performed as a mitigation measure under any environmental document for the Project or as a condition to the issuance of any governmental permit for the Project and any other improvement currently anticipated to be required to develop the Project.</p>
	<p>8.6 <u>Final Construction Plans.</u></p>	<p>By no later than the date set forth on the Schedule, Developer shall have submitted to the City for its review and obtained the City’s approval in its proprietary capacity of the Final Construction Plans for construction of the Project. The term "<i>Final Construction Plans</i>” means all construction documentation upon which a Developer and Developer's general building contractor will rely on constructing the Project, and shall include, but not necessarily be limited to, final architectural drawings, landscaping plans and specifications, final elevations, building plans, final specifications, plans for street and sidewalk repairs or improvements, a detailed breakdown of the costs of construction for the Project. The Final Construction Plans shall be substantially consistent with the Schematic Design Plans and Design Development Plans approved by the City.</p>
	<p>8.7 <u>Green Building Requirements.</u></p>	<p>The Design Development Plans and Final Construction Plans shall demonstrate how principles of environmental sustainability will be incorporated to meet the applicable requirements of the City’s Green Building Ordinance (Ordinance No. 13040 C.M.S.), as set forth in Chapter 18.02 of the Oakland Municipal Code (Sustainable Green Building Requirements for Private Development) for residential construction development or applicable building use, as determined by the City as required by Chapter 18.02, which currently is at the time design documents are submitted for entitlements and confirmed at permit issuance.</p> <p>The Developer and its design consultants shall work with City staff to develop appropriate and economically feasible sustainable building goals and strategies using the City’s Sustainable Building Guide and Project Management Tool. Principles of environmental sustainability, including substantial use of such green building techniques as energy-conserving design and appliances, water-conserving fixtures, design of surface parking areas with bio-retention, bio-swales, and storm water filtration features, low-</p>

		<p>maintenance landscaping, recycled-content building materials and low waste construction techniques, shall be incorporated into the Design Development Plans and Final Construction Plans for the Project.</p>
	<p><u>8.8 Construction Contract.</u></p>	<p>Developer shall enter into a contract or contracts for the construction of the Project with a licensed and reputable general building contractor (“General Contractor”) meeting the employment and contracting obligations contained herein (the “Construction Contract”). In no event shall a Developer contract with any party which has been debarred or suspended by HUD under 24 CFR Part 24. The Construction Contract shall provide for the Project to be constructed for a fixed and specified guaranteed maximum amount pursuant to the approved Final Construction Plans. In addition, the Construction Contract shall require the General Contractor to communicate with neighboring property owners/users (collectively, “Neighbors”), and to manage construction-related noise, emissions, dust and other construction matters that will impact the Neighbors during construction.</p> <p>No later than the date set forth on the Schedule, Developer shall have submitted to the City for its review and obtained the City’s approval in its proprietary capacity of a draft of the form Construction Contract. Not later than the date set forth for this action in the Schedule, the Developer shall have submitted a draft of the final Construction Contract for the Project to the City for its review and obtained the City’s approval prior to execution to determine that the cost of the development of the Project has been clearly fixed and determined, that no material changes to the Project will be made without the prior written consent of the City to the extent required under the LDDA, and that the City’s employment and contracting requirements as set forth in the LDDA will be met, and that all of the terms and conditions required to be included in the construction contract by funding sources for the Project have been included. The Developer shall also submit, prior to or together with the final Construction Contract, a detailed cost breakdown budget for Project construction and development, and a construction schedule, and a construction cash flow (draw-down) projection to the City for its review and approval in its proprietary capacity.</p>
	<p><u>8.9 Performance and Payment Bonds</u></p>	<p>Prior to the close of Escrow, Developer shall cause General Contractor to obtain a labor and materials payment bond in the</p>

		<p>amount not less than 100% of the cost of construction of the Project pursuant to the Construction Contract to be executed by Developer and consistent with the Financing Plan approved by the City.</p> <p>Developer shall cause General Contractor to obtain a performance bond in an amount not less than 100% of the cost of construction of the Project pursuant to the Construction Contract to be executed by Developer and consistent with the Financing Plan approved by the City.</p> <p>The performance bond and labor and materials payment bonds shall be issued by a licensed surety, shall name the City as co-obligee or assignee, and shall be in a form reasonably satisfactory to the City.</p>
	<p>8.10 <u>Governmental Approvals</u></p>	<p>To the extent not already obtained, Developer shall, not later than the date specified in the Schedule, apply for all permits, land use entitlements, subdivision map approvals, plan and other required governmental regulatory approvals allowing any subdivision of the Property and construction and development of the Project to completion (together, the “Governmental Approvals”).</p> <p>Developer shall also complete required environmental review pursuant to CEQA and NEPA, if necessary, and incorporate any mitigation measures identified in the environmental review process and required to be included in the plans for Project development and operations. The Developer shall give the City ten (10) days’ prior notice of any hearings regarding matters described in the LDDA, or if the Developer shall receive less notice a reasonable amount of advance notice to enable the City to elect to attend such hearings. The Project has been approved pursuant to Government Code Section 65913.4 (“SB 35”) and the Project, as approved, did not require review under the California Environmental Quality Act (“CEQA”).</p> <p>Developer acknowledges and agrees that receipt of all Governmental Approvals (except for any related to tenant improvements to be completed after the first Certificate of Occupancy) necessary to commence construction of the Project is a precondition to disposition of Parcel 2 to the Developer.</p>
	<p>8.11 <u>Property Management Contract</u></p>	<p>Prior to close of Escrow, the Developer shall have submitted to the City for its review and have obtained the City’s approval in its proprietary capacity of the draft contract or contracts with the</p>

		selected property management company for management of the Project once developed (the “ <i>Parcel 2 Management Contract</i> ”).
	8.12 <u>Market and Financial Feasibility Analysis</u>	Prior to close of Escrow, the Developer shall have submitted to the City for its review and have obtained the City’s approval in its proprietary capacity a market and financial feasibility analysis for the proposed residential project (the “ <i>Parcel 2 Market and Financial Feasibility Analysis</i> ”).
	8.13 <u>Review and approval of Developer Submissions</u>	<p>If any Developer submission that is <u>timely submitted</u>, and <u>in its entirety</u>, is reasonably satisfactory to the City in its proprietary capacity, then within ten (10) City business days of receipt by the City’s project manager (the “<i>City Response Date</i>”), the City shall, in its proprietary capacity, approve in writing that Developer submission, and no further filings by the Developer or approval by the City thereof shall be required for that Developer submission, except for any subsequent material change in the contents of the Developer submission. Notwithstanding the foregoing, the City may approve those portions of a Developer submission that are reasonably satisfactory and reject those portions that are not. The City may also approve all or a portion of a Developer submission subject to conditions requiring further submissions for City review and reasonable approval.</p> <p>City shall provide written notice of its approval or disapproval of any Developer submission (each, a “<i>City Notice</i>”) on or prior to the City Response Date, and in the event of disapproval or conditional approval shall include in any City Notice the specific basis and reasons for the City’s disapproval or conditional approval and changes that would make the Developer submission or applicable portion thereof acceptable to City (in each case, “<i>City Conditions</i>”).</p> <p>If City fails to deliver the City Notice, then Developer shall provide a second written request for a response to the applicable Developer submission, and the City shall have ten (10) City business days from receipt of the subsequent written request to provide the City Notice. Failure by City to meet the City Response Date or the additional ten (10) City business day period shall not constitute a default by City under this Agreement.</p>

<p>8.14 <u>Environmental Remediation</u></p>	<p>To the extent required, the Developer shall, at its sole cost and expense, and as the responsible party, upon its execution of the Ground Lease and commencement of construction of the Project, perform the remediation necessary and required to address all environmental concerns relating to Parcel 2. Developer shall submit to the City and shall have obtained the written approval of the City’s Environmental Protection and Compliance department in accordance with Section 6 above, of the scope of its remediation prior to commencing the remediation work. The City shall have the right to inspect the remediation work from commencement through completion.</p> <p>Developer shall indemnify, defend, and hold the Indemnified Parties (as defined below) harmless from and against any liability arising out of a violation of any Environmental Law by Developer during the term of the Ground Lease, any Release directly caused by the activities of Developer during the term of the Ground Lease, and any condition of pollution, contamination or Hazardous Substance-related nuisance on, under or emanating from Parcel 2, which is directly caused or exacerbated by the activities of Developer during the term of the Ground Lease.</p> <p>For purposes hereof, the following definitions shall apply:</p> <p style="padding-left: 40px;">(i) “Hazardous Substance” shall have the meaning set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended as of the date of this Agreement, 42 U.S.C. 9601(14), and in addition shall include, without limitation, petroleum (including crude oil or any fraction thereof) and petroleum products, asbestos, asbestos-containing materials, polychlorinated biphenyls (“PCBs”), PCB-containing materials, all hazardous substances identified in the California Health & Safety Code Section 25316 and Section 25281(d), all chemicals listed pursuant to the California Health & Safety Code 25249.8, and any substance deemed a hazardous substance, hazardous material, hazardous waste, or contaminant under Environmental Law. The foregoing definition shall not include substances which occur naturally on the Site or commercially reasonable amounts of hazardous materials used in the ordinary course of construction and operation of a mixed use or residential development.</p> <p style="padding-left: 40px;">(ii) “Environmental Law” shall include all federal, state and local laws, regulations and ordinances governing</p>
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		<p>hazardous waste, wastewater discharges, drinking water, air emissions, and Hazardous Substance releases or reporting requirements.</p> <p>(iii) “Release” shall mean any spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment, including the abandonment or discharging of barrels, containers, and other closed receptacles containing any Hazardous Substance.</p>
9	CONSTRUCTION OF THE PROJECT	
	9.1 <u>Commencement of Construction</u>	The Developer shall commence construction work on the Project no later than the date set forth in the Schedule.
	9.2 <u>Construction Obligations</u>	Construction of the Project shall be substantially in accordance with the Final Construction Plans approved by the City in both its regulatory and proprietary capacity, without substantial deviation therefrom unless approved by the City in writing.
	9.3 <u>Disabled Access.</u>	The Developer shall develop the Project in compliance with all applicable federal, state, and local requirements for access for disabled persons, including, without limitation and as applicable, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. section 794).
	9.4 <u>Lead-based Paint.</u>	The Developer and its contractors and subcontractors shall not use lead-based paint in the construction of the Project or maintenance of Project units. The Developer shall insert this provision in all contracts and subcontracts for work performed on the Project which involves the application of paint.
	9.5 <u>Quality of Work.</u>	The Developer shall construct the Project in conformance with general industry standards and shall employ building materials of a quality suitable for the requirements of the Project. The Developer shall develop the Project in full conformance with applicable local, state, and federal statutes, regulations, and building and zoning codes.
10	COMPLETION GUARANTY	BCZ and Eden Housing, Inc. (together, the “ <i>Guarantors</i> ”), shall each provide City a Completion Guaranty pursuant to the LDDA and as a

		condition to closing on the Ground Lease, in a reasonable form to be agreed upon by the Guarantors and City and attached to the LDDA as an exhibit (the “ <i>Form of Guaranty</i> ”). The Guarantors shall jointly and severally guarantee completion of the Project in accordance with the terms of the LDDA.
11	REGULATORY AGREEMENT	Following completion of the Project, the use and operation of Parcel 2 and the improvements developed thereon shall be restricted according to the terms of the Ground Lease, the LDDA, the Restrictive Covenants, and the Regulatory Agreement, which shall contain income and rent restrictions for tenants for a term of not less than fifty-five (55) years from the date that fifty percent (50%) of the units have received a certificate of occupancy. The Regulatory Agreement must be recorded against the leasehold interest on the Property and in a priority position senior to the deeds of trust securing any loans.
12	DEFAULT	The LDDA will include City’s standard remedies including, without limitation, the right to terminate the transaction upon Developer’s default, subject to standard notice and cure provisions permitting cure rights for Developer and the Project lenders and investor.
13	INDEMNIFICATION AND INSURANCE	The LDDA and Ground Lease will require Developer to indemnify, defend, and hold the City and its elected and appointed officials, employees, officers, commissioners, directors, partners and agents (“ <i>Indemnified Parties</i> ”) harmless from and against any liability directly or indirectly arising or resulting from Developer’s development, operation, and/or management of the Project, including, without limitation, liability arising as a result of property damage, personal injury, or violation of state, federal, or local laws, except to the extent that any of the matters described above is solely caused by an Indemnified Party’s gross negligence or willful misconduct.
14	DEVELOPER MAINTENANCE/ STANDARD OF PROPERTY	Following Project completion, Developer shall maintain Parcel 2 and the Project in compliance with applicable law and in good condition and repair to the reasonable satisfaction of the City.
15	PERMITTED TRANSFERS	Prior to Project completion, the Developer shall not have the right to assign or transfer all or any portion of its rights and obligations under the LDDA, other than an assignment to, and assumption of, the LDDA by a limited partnership (“ <i>Partnership</i> ”) of which the

		Developer (or another entity affiliated with and controlled by BCZ and/or Eden Housing) has a controlling interest. For purposes of clarity, the admittance of a co-general partner into the Developer shall not be deemed a transfer so long as a BCZ-controlled entity remains the general partner with the controlling general partner interest of the Developer.
16	OFF-SITE IMPROVEMENTS	Jointly with the Parcel 1 Developer, Developer shall be responsible for the cost of any and all off-site improvements and any relocation of existing utilities and easements to the extent required under planning and building approvals for the Project. City agrees to make commercially reasonable efforts to assist Developer in applying for financing for off-site improvements, but this LDDA does not create any obligation to fund the same. The parties acknowledge that the City may execute a Grant agreement for a portion of the off-site improvements, but that agreement is not incorporated into this LDDA.
17	IMPACT FEES & PUBLIC ART	Subject to any exemptions, waivers or deferrals granted by the City, Developer shall pay any and all required permit and regulatory fees, including, but not limited to, the City’s Transportation Impact Fee, Capital Improvements Impact Fee, and Affordable Housing Impact Fee as applicable pursuant to Oakland Municipal Code (“ <i>OMC</i> ”) Chapters 15.68, 15.72 and 15.74 unless Developer satisfies in lieu affordable housing exemption requirements identified in those chapters. If applicable, Developer shall also satisfy the “Public Art for Private Development” requirement under <i>OMC</i> Chapter 15.78.
18	CITY EMPLOYMENT & CONTRACTING REQUIREMENTS	Developer shall abide by all applicable City employment and contracting requirements, including, but not limited to, the following: the provisions of City’s Local and Small Local Business Enterprise Program; Local Employment Program; Required Prevailing Wages; Living Wage Ordinance; the City of Oakland’s First Source Employment Referral Program; Employment Nondiscrimination; and Reporting Requirements of the City of Oakland.

Exhibit A
Property Legal Description

The land referred to is situated in the County of Alameda, City of Oakland, State of California, and is described as follows:

Parcel One:

Parcel A, Parcel Map 7755, filed July 19, 2002, Book 266 of Parcel Maps, Page 46 and 47, Alameda County Records.

Parcel Two:

Non-exclusive reciprocal easement appurtenant to Parcel One for the purposes of Parking, access, drainage, encroachments and utilities as contained in and upon the terms and conditions set forth in that certain “Amended and Restated Agreement for grant of Reciprocal Easements” recorded March 13, 2007 as Instrument No. 2007-103162 of Alameda County Official Records said purposes being more particularly stated therein in Section 2 thereof.

APN: 039-3291-020

Exhibit B

Legal Description and Plat of Parcel 2

**PROPOSED AFFORDABLE HOUSING PARCEL
OAKLAND, CALIFORNIA**

PROPOSED PARCEL MAP

Exhibit C
Schedule

Task	Scheduled Completion Date
Pre-conveyance Requirements	
1. Preliminary Financial Plan	(Complete)
2. Final Financial Plan	May 9, 2025
3. Financing Documents	July 18, 2025
4. Schematic Designs	October 11, 2022 (Complete)
5. CEQA and SB 35 Approval	January 27, 2023 (Complete)
6. Design Development Plans	October 29, 2024
7. Public Improvements Approval	March 1, 2025
8. Final Construction Plans	May 27, 2025
9. Construction Contract	March 13, 2026
10. Payment and Performance Bonds	March 18, 2026
11. Governmental Approvals	November 19, 2025
12. Parcel 2 Management Contract	October 1, 2025
13. Outside Closing Date	March 20, 2026
Construction of the Project	
1. Commencement of Construction	March 23, 2026
2. Public Improvements	August 6, 2028
3. Completion of Construction	August 6, 2028