

ATTACHMENT 24

EXHIBIT B

ADDITIONAL BUSINESS, EMPLOYMENT, CONSTRUCTION ASSISTANCE/OPPORTUNITIES AND COMMUNITY BENEFITS PROGRAM

Section 1: Purpose. This Attachment 24, Exhibit B is intended to provide a conceptual outline of certain community benefit programs, in addition to the obligations contained in the Equal Opportunity Program, that Developer will develop working with the Agency and in consultation with representatives of the BVHP Area. Following Agency Commission approval of the DDA, Developer and the Agency will establish a working group that will draft the necessary implementing plans or other documents for the programs described below and the CAC will be consulted during this process. Except as set forth below, (1) binding agreements implementing these programs will be a condition precedent to the Close of Escrow for Parcel A-1 and (2) the costs of implementing these programs will be funded by Developer without recovery from the project revenues.

Section 2: Construction Assistance Program

2.1 Purpose: Because local contractors have expressed a concern that they lack the capability to obtain needed insurance, bonding, technical, and financial assistance in order to fully participate in the demolition and renovation of existing buildings, construction of infrastructure and new residential, cultural, commercial and community facilities at the Shipyard, a Construction Assistance Program will be provided.

2.2 Owner Consolidated Insurance Program (OCIP): The OCIP's primary benefit will be to allow contractors with a primary business address in the BVHP Area, who otherwise might not be able to meet the requirements to secure adequate insurance coverage ("BVHP Contractors"), to obtain insurance for work performed at the Shipyard. To the extent feasible, after meeting its obligations in the prior sentence, Developer will make its OCIP program available generally to Local M/WBEs. The current insurance market is difficult, especially for general liability premium pricing. Firms that have coverage may find they have coverage deficiencies on renewals. The OCIP will provide broad and consistent coverage terms for all eligible parties involved. Further, the OCIP will reduce the legal costs of construction defect litigation by providing for a single defense against a lawsuit/claim and by eliminating the "cross complaint" process. Also, the OCIP will allow the limits of coverages to be more efficiently used.

An OCIP is a "Wrap-up" insurance program designed to ensure adequate insurance coverage for BVHP Contractors. This will be a single, coordinated insurance program providing certain coverages for work performed at the Shipyard. Covered parties will include Developer and its related entities, and all eligible and enrolled local contractors/subcontractors selected to perform construction work at the Shipyard, and all of their eligible and enrolled sub-subcontractors. Eligibility requirements under the OCIP would be no more stringent than those

generally imposed on Developer under its OCIPs for other projects. Builder's Risk, Workers' Compensation, Automobile and Errors and Omissions are all non-OCIP covered items.

BVHP Contractors will be required to complete an OCIP Enrollment Application and return it as part of their bid and submit certificates and appropriate endorsements as required in the contract agreement for non-OCIP coverages such as Automobile and Workers' Compensation. The Developer will pay the OCIP premiums to the General Liability and Excess Liability carriers. BVHP Contractors, including the contractors, subcontractors and sub-subcontractors enrolled will be assessed a percentage of their contract price, which will show as a risk-adjusted back charge on their contract payment schedule. The OCIP will provide for appropriate risk tiers.

2.3 Surety Bond Program: The purpose of this program will be to supplement the Agency's Surety Bond Program for qualifying BVHP Contractors at the Shipyard. If otherwise qualified BVHP Contractors are unable to obtain a sufficient surety bond for their contracts and insufficient funds are available from the Agency's Surety Bond Program, then these BVHP Contractors will be able to obtain appropriate bonding for their contracts through the surety bond program that Developer will establish. Developer will establish a bond program through its own financing capability or through a third-party source to ensure that BVHP Contractors can obtain appropriate bonding for construction contracts at the Shipyard. Developer will further refine the details of this program, which must be approved by the Agency prior to implementation and which will include, among other elements, enrollment eligibility criteria that is no more rigorous than that required by the Agency's Surety Bond Program.

2.4 Technical Assistance: Developer will provide a contractor assistance position in the project office to be located in the Shipyard to serve as a liaison to contractors seeking contracts at the Shipyard. Duties of the position will include providing assistance to contractors with respect to the contract bidding process, the qualifications for the OCIP and Surety Bond Programs, and other programs available to contractors at the Shipyard. Developer will make a good faith effort to hire a local community resident to fill this position. The cost of this position shall be a project cost recoverable from project revenues.

Commencing at a reasonable time following the establishment of a project office at the Shipyard, Developer shall conduct workshops in coordination with community development organizations, the Agency and the City to address matters related to the construction industry such as worksite safety matters, accounting procedures, legal, insurance and labor matters and other topics. Developer shall solicit requests from BVHP Contractors for additional topics of interest to the BVHP Contractors.

2.5 Financial Assistance: Developer will actively utilize its relationships with financial institutions to introduce them to the Shipyard development, explain the general financial needs of the BVHP Contractors and assist BVHP Contractors in accessing necessary financing such as lines of credit, loans, or other financial assistance based on conventional underwriting practices.

2.6 MBE/WBE Mentorship Program: Developer will establish a program for mentoring MBE/WBE contractors.

Section 3: Community Builder Program

3.1 Purpose: The purpose of this program is to facilitate the participation of Qualified Community Builders (including, but not limited to, faith-based development organizations) in the vertical development of Community Builder Lots as defined in the DDA and consistent with the applicable provisions of Section 15 of the DDA.

Pursuant to Section 15 of the DDA, in order for Developer to exercise its right to develop approximately 30% of the Vertical Improvements, it must joint venture with Joint Venture Community Builders for such development. To the extent that Developer chooses not to joint venture with Joint Venture Community Builders (as defined below) to develop such portions of the Vertical Improvements, Independent Community Builders (as defined below) will be eligible to develop such portion of the Vertical Improvements not developed by a joint venture of Developer or its Affiliates and a Joint Venture Community Developer.

3.2 Qualified Community Builder: Qualified Community Builder shall include developers with a primary business address in the BVHP Area and/or owned by a resident of the BVHP Area and shall include both Joint Venture Community Builders and Independent Community Builders as defined below. As set forth in Section 3.1, Qualified Community Builders may include, but are not limited to, faith-based development organizations. Qualified Community Builders also may include BVHP Contractors under Section 2. Both Developer and the Agency shall make a Good Faith Effort to partner with Qualified Community Builders before seeking other partners.

(i) **Joint Venture Community Builder:** The Joint Venture Community Builder must perform duties that are economically significant to the joint venture and must actively and substantially participate in the day-to-day, financial and policy decision-making responsibilities of the joint venture. There must not be any formal or informal restrictions that limit the customary discretion of a joint venture partner with a significant ownership interest in the joint venture and the Joint Venture Community Builder must have authority to manage significant aspects of the joint venture business and the development of the improvements, including, without limitation, hiring and firing personnel, selecting and supervising the contractors, subcontractors, legal, financial and other consultants to the joint venture, approving the various development plans, construction documents, marketing strategies and project budget, negotiating and approving the various contracts in connection with the project, including, without limitation the Vertical DDA to be entered into with the Agency. For the joint venture to qualify as a Joint Venture Community Builder, the Agency must approve the instrument that sets forth the terms of the joint venture relationship between the Developer Affiliate and the Community Builder.

The selection of a Joint Venture Community Builder shall be at the sole discretion of Developer. To be considered for selection, Community Builders must submit sufficient information to demonstrate the Community Builder's capability to successfully undertake all activities necessary to complete the Vertical Improvements on the lot. This information shall include the following three areas:

1. Document technical qualifications related to the proposed development, including resumes of all members of the development entity, and the identification of licenses, certificates and relevant educational training.

2. Document direct or related experience, including but not limited to financial experience, construction, engineering and development experience, and provide a detailed explanation of previous development projects including project location, size, cost, capital and financing sources used, economic performance, project timeline, and a description of the role of the development entity or its members in the project.

3. To the extent available, provide the following financial information, including use of assistance under this and other programs available under the DDA: four years of annual credit reports, annual reports, audited financial statements of the development entity or its principal members and real estate portfolios, recent history of obtaining financing commitments, a description of all projects currently underway but not completed, including the financial commitment required of the development entity, identification of equity and debt capital and the relationship between the developer and the financing source. Provide detailed information regarding any litigation concerning a real estate joint venture which involved the development entity or any of its principal members.

(ii) **Independent Community Builder:** This term will include all of the evaluation criteria set forth in 3.2(i) above and the following: (1) Demonstrate the financial capability or access to minimum capital sources to purchase the lot at the Minimum Purchase Price in accordance with the terms set forth in the DDA; and (2) Demonstrate the ability to complete the Vertical Improvements on the Lot in accordance with the Schedule of Performance.

Developer will select a pool of Independent Community Builders eligible to bid on available Community Builder Lots. In accordance with the provisions of Section 15.4 of the DDA, the selected pool of Independent Community Builders shall participate in a competitive bid process for purchase of the Community Builder Lot.

3.3 Other Capacity Building Elements: The program will identify real estate and business development programs available at local colleges and training programs and provide information about these programs through a community outreach effort.

3.4 Community Outreach Program: Developer will develop a comprehensive community outreach program that will use print, web-based, local media and grassroots outreach organizations to inform BVHP Area residents and local businesses of the opportunities available under this program. This program will be similar in scope to the outreach programs described in Exhibit A to Attachment 24.

Section 4: Interim African Marketplace.

The purpose of the interim African Marketplace is to serve as an African-themed temporary festive outdoor setting for the display and sale of: a) arts, crafts, sculptures, fabrics and clothing, and books; and b) fresh, wholesome and healthy foods as commonly found in a Farmer's Market. Additionally, it will serve as a venue for the presentation of musical

performances, such as gospel, jazz and blues and African and world music. The musical events could occur in conjunction with, or independent of, the African Marketplace. The interim African Marketplace will establish the Shipyard as a music, entertainment, cultural, and tourist destination and will provide economic opportunities for local artists.

4.1 Location: An approximately 1.2-acre site to be agreed upon by the Agency, the CAC and Developer as a condition to Closing, which will allow for implementation of the African Marketplace in the first phase of the development.

4.2 Duration: The African Marketplace will be established during the implementation of Phase I and will continue until the permanent African Marketplace is established.

4.3 Implementation Strategy: Developer will fund the activities described in (a) through (e) below:

(a) Developer's planning/architectural consultant team working with a BVHP community-based arts and culture organization and a representative of the African Marketplace of Los Angeles will determine the character of the site, the proper mix, size and location of arts, crafts, clothing, food and other vendors, and the location of the performance area and parking. The consultant team shall also determine when the African Marketplace should operate and the frequency of cultural events (i.e. weekly, monthly).

(b) Developer's financial consultant will prepare an operations/financial feasibility study to determine the criteria for selecting vendors that will contribute to a successful African Marketplace.

(c) Additionally, the financial consultant will examine a revenue/cost structure that will yield at least a "break-even financial scenario" for operating the African Marketplace. The consultant will also recommend an African Marketplace Operator's leasing program, including lease rates for the African Marketplace Operator and its vendors. The consultant shall identify all potential sources of operating revenues (vendors rents and funds from sponsors like radio, television stations and beverage companies, etc.) as well as public funding sources to cover operating expenses (advertising, promotions, maintenance, operations, etc.). Developer will select the African Marketplace Operator.

(d) Developer's public relations consultant shall help create an attractive African Marketplace marketing brochure and website to assist with the vendors outreach program, and shall undertake other work to determine the best marketing and promotion program for the African Marketplace as an integral part of the overall marketing and operations plan for Phase I. The purpose of this effort will be to determine how best to place the African Marketplace and the Shipyard "on the map" for local residents and the City and Bay Area region as a whole and to serve as a draw for tourists to the San Francisco Bay Area.

(e) Developer shall designate an approximately 1.2 acre site (see attachment) for the interim African Marketplace and shall pave the site (including a performance

area), provide utilities to the site, a parking area and trailer to serve as administrative and assistance center for the African Marketplace Operator and its vendors.

(f) The African Marketplace Operator shall be required to prepare an operations plan that includes, among other requirements, a vendor recruitment plan, a public relations and marketing plan, an outreach plan for working with local arts groups, ecumenical groups, merchant and business associations and others to identify performers and vendors for the African Marketplace, and a financial plan for the continued operation of the African Marketplace.

Section 5: Other Community Benefits

5.1 Cultural/Historical Recognition Program: Developer will develop a design program that will: (i) through the urban design process identify opportunities for recognizing and enhancing the cultural and historical context of the Shipyard and its surrounding community in both the development and design of the Shipyard; (ii) integrate cultural features and facilities throughout the Shipyard, starting with Phase I through the Interim African Marketplace; and (iii) provide opportunities for local artists (both at the Shipyard and from the surrounding community) to participate in creating public art for the Shipyard by working with artists at the Shipyard and in the community to identify appropriate locations and art forms for the public art program.

5.2 Space for Business Incubator Programs: Developer will provide space, including trailers, for a business incubator program. Rent for the incubator space will be set at the levels necessary to recover the costs of providing the space, without a profit, for so long as Developer (or its Affiliates) are engaged in development activities at the Shipyard. Additionally, Developer will identify, publicize and provide opportunities at the Shipyard for local start-up companies.

5.3 Home Buyers' Assistance Program: Developer will develop a Home Buyers' Assistance Program, including coordination with appropriate agencies and financial institutions such as its mortgage finance company UAMC, to provide qualified Shipyard home buyers with; (a) access to down payment assistance; (b) first-time buyer financing programs; and (c) homeownership counseling services. To the extent that these programs provide for specific interest rates, such rates will be determined at the time that the homes are available for purchase. This Program will include coordination with existing community based home buyers' assistance programs with successful track records.

5.4 Job Training and Employee Assistance Program: Developer will work with existing community based job training and assistance programs with successful track records to identify job training needs for the Shipyard, including social service needs that support job training programs. However, the jobs training and assistance program will be designed to specifically address the training and employment needs of the Shipyard, rather than be incorporated into more geographically expansive jobs programs. The jobs training and assistance program will include creation of after school, summer school and vacation employment via internships or partnering with local summer jobs programs. A process will be established to initially determine, and then to annually review, the job training and employee

assistance needs of the Shipyard and to determine which programs will receive this funding. Developer will provide financial support to programs that meet these identified needs as follows: Developer shall fund the agreed-upon programs, in such allocations as Developer and the Agency shall determine, in an aggregate amount of Two Hundred Twenty-Five Thousand Dollars (\$225,000.00) per year; of this annual amount One Hundred Twenty Thousand Dollars (\$120,000.00) will be an unrecoverable out-of-pocket cost to Developer, and the balance of One Hundred Five Thousand Dollars (\$105,000.00) will be recoverable as a Soft Cost. The initial annual amount shall be funded on the Close of Escrow and subsequent annual amounts shall be funded on the annual anniversary of the Close of Escrow until Substantial Completion of the Infrastructure. As part of its scheduling activities for construction of the Infrastructure, Developer will prepare, and circulate pursuant to the outreach requirements set forth in Attachment 24.A, a schedule showing start and end dates for the estimated required number of employees by trade as soon as feasible.

5.5 Local Community Priority Leasing: Developer will require commercial developers at the Shipyard to prepare a Local Community Priority Leasing Program. The program must include a marketing outreach effort to identify potential local tenants, to disseminate information through local media about leasing opportunities, and to establish goals for achieving a successful local community leasing program. Local tenant retail space will be equitably distributed throughout the retail areas, both geographically and qualitatively, so that local tenants enjoy equitable benefits in terms of pedestrian and vehicle access, visibility, proximity to anchor tenants and other desirable retail characteristics; local tenants will not be clustered in any particular area.

5.6 Working With Other Small Business Assistance Programs: Developer will establish or fund an existing local Small Business Assistance Program. This program will identify opportunities to assist small businesses in the BVHP Area to obtain contracts and participate in other business opportunities at the Shipyard.