

COMMUNITY BENEFITS PROGRAMS

Second Quarterly Report – October 2005

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COMMUNITY BENEFITS PROGRAMS QUARTERLY REPORT

October 4, 2005

Lennar/BVHP is required to submit to the Agency and the CAC, on a quarterly basis, a written status report. This Quarterly Report provides a status update on all of the community benefits programs, set forth in the Community Benefits Agreement dated April 4, 2005. The Community Benefit Agreement was entered into by and between the Redevelopment Agency of the City and County of San Francisco (the "Agency") and Lennar/BVHP, LLC, a California limited liability company doing business as Lennar/BVHP Partners ("Lennar/BVHP"). The first status report was due on July 4, 2005, however, the initial submission to the Agency occurred on July 7, 2005, due to the July 4th holiday. The Agency requested Lennar/BVHP to revise the submission to include more detailed information on the status of each of the community benefits programs to ensure that this and all future status reports contain pertinent information for readers to fully assess the status of each program. The chairperson of the CAC Business and Employment Opportunities Subcommittee gave approval to the Agency and City staff to review and comment on a number of revised submissions.

CONSTRUCTION ASSISTANCE PROGRAM

Introduction

As set forth by the Disposition and Development Agreement for the Hunters Point Shipyard, Lennar/BVHP must ensure that BVHP Area Contractors are given the opportunity to obtain needed insurance, technical and financial assistance. In addition, BVHP Area Contractors are not required to provide payment or performance bonds in order to fully participate in the demolition and renovation of existing buildings, and construction of infrastructure and new residential, cultural, commercial and community facilities at the Shipyard.

Construction Assistance Program Contact

John Scott, of Business Development, Inc. (BDI) serves as the Lennar/BVHP Contractor Liaison and Financial Assistance Program Liaison. Please contact Mr. Scott with any questions regarding all components of the Construction Assistance Program, with the exception of the Mentorship Program. John Scott can be reached at his office at 415-671-2184 or by email at: eunlimited@comcast.net

Construction Assistance Program Milestones

Pursuant to the terms of the Community Benefits Agreement, Lennar/BVHP is required to provide general liability insurance through the Lennar/BVHP OCIP to all Lennar Contractors (defined below) who are not Excluded Parties (defined below).

"Lennar Contractors" means all contractors and subcontractors who contract with Lennar/BVHP, any of its Affiliates, developers in which Lennar/BVHP or any of its Affiliates own an ownership interest and the contractors or subcontractors of any of the foregoing who work at the Shipyard during Phase 1.

"Excluded Parties" means architects, surveyors, engineers, hazardous waste removal and/or transport companies, vendors, consultants, suppliers, fabricators, materials dealers, truckers, haulers, drivers and others who merely transport, pick up, deliver or carry materials, personnel, parts, equipment or other items to and from the Shipyard and any other trade or profession designated by Lennar/BVHP in accordance with the terms of the Community Benefits Agreement.

Pursuant to the Community Benefits Agreement, Lennar/BVHP is required to inform Lennar Contractors about significant provisions of the OCIP in bid packages, workshops and contracts for construction work on the Shipyard.

- Each bid package currently contains clear instructions regarding required completion and submission of the OCIP Enrollment Application.
- Lennar/BVHP is including the OCIP addendum and the OCIP Enrollment Application in each deconstruction and demolition, and construction bid package issued for work on the Shipyard.
- The administrator of the OCIP is forwarding certificates of insurance to each enrolled Lennar Contractor to confirm the Lennar Contractor as a named insured for the Shipyard progress. This is an ongoing process.
- Lennar explains and emphasizes the OCIP program in workshops and presentations. The Owner's Consolidated Insurance Program coverage is explained in general terms at the contractor outreach workshops and Lennar/BVHP explains that the OCIP coverage will apply to every contractor with a Lennar contract. A more detailed insurance explanation is given to every successful contractor and their insurance carriers, upon execution of their contract with Lennar.

Technical Assistance Program

As part of the Technical Assistance Program, Lennar/BVHP is required to establish, fund and maintain a Contractor Liaison position. The Contractor Liaison Office must be located at the Shipyard Project Office. Additionally, workshops must be hosted by the Contractor Liaison covering a range of contractor related opportunities on the Shipyard.

Contractor Liaison: The Contractor Liaison's main responsibility is to assist contractors with navigating through the construction process. The Contractor Liaison Office is located at Lennar Project Trailers, 690 Hudson Avenue, San Francisco, CA 94124. Hours of business are 8 a.m. until 5 p.m. Monday through Friday except holidays. The Contractor Liaison's phone number is (415) 671-2184 or (415) 671-0829 and the fax is

(415) 671-0827. Lennar also has an emergency construction hotline number that is available 24 hours a day at 1-866-5-LENNAR. Since the Contractor Liaison entered into its contract with Lennar/BVHP on February 1, 2005, the Contractor Liaison has performed or has assisted with the following services and events:

Trucking Program

There has been no new outreach to the BVHP Area trucking community. The trucking roster has been set. We have no plans to open the trucking roster to any other truckers until this first group has reached its initial goal of \$5,000 of work for each trucker.

As mentioned in the first Community Benefits quarterly report, the truckers were recruited from a list provided by the San Francisco Redevelopment Agency, the Human Rights Commission, the Yellow Pages and by word of mouth.

On Thursday, September 29, 2005, the BVHP Area truckers started their hauling activity with the Demolition and Deconstruction contractors, and by mid October 2005, a trucking assistant to handle dispatch and truck monitoring will be on board working out of John Scott's office.

Before abatement began, BVHP Area truckers agreed they were not interested in hauling Sterling's hazardous material for the following two reasons:

1. Only three BVHP Area truckers have hazardous certification to haul hazardous material.
2. The expense of renting the type of truck needed to haul roll up trailers is not an expense conducive to a one-time limited operation for the truckers involved in the program.

Contractor Prequalification

Prequalification is currently closed through the horizontal construction phase. The second and third tier subcontractors that did not submit prequalification packages are still allowed to bid as subcontractors. The benefit to 2nd and 3rd tier 94124, 94134 and 94107 subcontractors prequalifying is their standing for "Advance Work."

Workshops

There are no workshops currently scheduled. The following are workshops that are to be scheduled in the near future:

- The Infrastructure Bid Package Workshop
- The General Construction Quarterly Workshop

Deconstruction and Demolition Contract Awards

FERMA has started its Demolition and Deconstruction contract. Sterling Environmental, FERMA's subcontractor, began abatement of the structures on August 15, 2005 and are also mentoring Remediation Services, Inc., which is a BVHP Area Environmental Company. RSI and another BVHP Area licensed contractor, Oliver Transbay, have sub contracts with FERMA to demolish wooden structures on the hill and remove brush and trees that have been identified for removal.

The crusher site will not be established until the concrete structure is ready to come down. At that point, FERMA will hire two people from YCD to work with and be trained by FERMA staff on the operation of a crusher site.

FERMA is a union contractor and the two YCD referrals will have to join the local union 621. Lennar/BVHP will potentially use the product from the crusher operation as some of the fill in material on the construction site.

Grading and Retaining Wall Contractor Award

Lennar/BVHP has applied "Value Engineering" to the Grading and Retaining Wall package. Lennar is currently in discussion with the most responsive bidder in an attempt to finalize a decision.

Next Steps

- Continue dialogue with local contractors and assist in their preparation to bid on Lennar/BVHP contracts.
- Prepare for the next round of workshops. Further, ascertain what technical or financial assistance the local contractors need.
- Provide direction and leadership with the Trucking Program.
- Contractor Liaison to meet with Lennar representatives during the month of October to review and discuss 2005 contractual obligations in preparation for fiscal year 2006 contractual process.

FINANCIAL ASSISTANCE PROGRAM

A requirement of the Financial Assistance Program is that Lennar/BVHP initiate outreach to financial institutions with which it currently has relationships to introduce them to the Shipyard development, explain the general financial needs of the BVHP Area Contractors and assist BVHP Area Contractors in accessing necessary financing, such as lines of credit, loans or other financial assistance based on conventional underwriting practices. Lennar/BVHP is also required to host informational events for and provide BVHP Area Contractors with technical and financial assistance resources. The foregoing is required

to occur within no less than sixty (60) days prior to the advertisement of the first contract for each of the Deconstruction and Demolition, Infrastructure Improvements and Vertical Development phases and at least one (1) more time during each phase. The first contract for the Deconstruction and Demolition phase was advertised on November 10, 2004.

Outreach Efforts

The next financial workshop would normally have been scheduled for September 4, 2005; however, the person originally responsible for these workshops is no longer a part of the Lennar/BVHP team. After considerable discussions and strategic deliberation, John Scott has accepted the responsibility of the Financial Assistance Liaison. Due to the change in personnel, the project has extended additional time to John Scott to learn the program and to meet the program's objectives. The next Financial Assistance Program workshop is scheduled for Saturday, October 8, 2005 from 10:00am to 12:30pm at Dago Mary's.

During this workshop, there will be a panel discussion, Q&A and networking opportunities for those in attendance. A strong effort was made to find professionals from the BVHP Area, therefore, the panel will consist of experts from various businesses and financial institutions. The target audience is contractors primarily, but not exclusively. The following Financial Institutions have confirmed attendance and participation:

- Wells Fargo Bayview Branch
- Union Bank Bayview Branch
- US Bank Bayview Branch
- Washington Mutual Potrero Branch

NOTE: John Scott is awaiting confirmation from three other institutions.

Wells Fargo's Participation Update:

Lennar/BVHP is currently facilitating a meeting between Fred Williamson, Jr., VP of Bayview Branch of Wells Fargo and Lynn Bell of Lennar's Homebuyers' Assistance Program. The purpose of the meeting is to begin discussions on potential ways to include Wells Fargo in Lennar's Homebuyers' program. The details have not been worked out because the meeting has not been established. The goal is to nurture the relationship with Wells Fargo by exploring other possible opportunities to have their institution involved with the Shipyard project.

Technical Assistance Resources: The Financial Assistance Liaison prepared a list of financial assistance and technical assistance resources that are available at the Lennar/BVHP trailers and on the Lennar/BVHP website.

Challenge(s)

The challenge remains the same. There is a need to encourage more financial institutions to tailor their product line to meet the needs of BVHP Area contractors and businesses. There has been some expressed interest with Bank of America and Washington Mutual being involved; however, no commitments have been made.

- Continue to outreach to financial institutions and seek their involvement

MBE/WBE MENTORSHIP PROGRAM

The MBE/WBE Mentorship Program is designed to support emerging MBE/WBE Protégés (defined below). The two main goals of the Mentorship Program are (i) to increase the volume of work that Protégés are capable of winning in open competition and (ii) to broaden the base of activity of, increase the long-term stability of and expand the construction-industry service provided by the Protégés. The program is also designed to improve the Protégés' ability to successfully perform under contracts and/or subcontracts, to foster the establishment of long-term business relationships between Lennar/BVHP Contractors and Protégés and to increase subcontracting opportunities with Lennar/BVHP Contractors. The Mentorship Program was required to be fully operational by August 3, 2005.

The contact for the Mentorship Program is Alton Byrd of Project Complete. Alton is the Mentorship Program Sponsor and he is responsible for organizing, coordinating and administering the Mentorship Program. The public can contact Mr. Byrd with any questions or comments about the MBE/WBE Mentorship Program Monday through Friday between the hours of 9am to 5pm, or by calling 1-888-381-7731 ext. 1 and Anne Ferguson, Mr. Byrd's assistant may be reached at ext. 4. Mr. Byrd can also be reached on his cell phone at 1-916-600-9968. The Project Complete offices are located at 41 Dorman Street, San Francisco, CA 94124.

Definitions

- (a) "MBE/WBE" has the same definition as used in the Development and Disposition Agreement, or the successor definition used in any successor program to the Agency's Equal Opportunity Program that the Agency may adopt.
- (b) "Mentor," as used in the Mentorship Program, means a large business concern that demonstrates the commitment and capability to assist in the development of a Protégé. The concern must have at least 7 years experience within the construction industry.
- (c) "Professional Services Provider," as used in the Mentorship Program, means a reputable and successful organization or individual that will use its knowledge of

construction business issues to educate Protégés and provide them with professional services, including, without limitation, financial administration, insurance and bonding, business management and other services that Protégés and Mentors may identify as beneficial to Protégés.

(c) "Protégé," as used in the Mentor-Protégé Program, means a construction-related small business enterprise that is independently owned and operated, not dominant in its field and is doing business in and with a primary business address in the BVHP Area, or with an owner who provides satisfactory evidence to Lennar/BVHP that such owner lives in the BVHP Area.

Mentorship Program Sponsor

The Community Benefits Agreement requires that the Mentorship Program Sponsor be under contract with Lennar/BVHP before the commencement of the deconstruction and demolition work. The Mentorship Program Sponsor entered into its contract with Lennar/BVHP on March 1, 2005. The abatement process started on August 12, 2005 and the actual demolition and deconstruction will not start until late September 2005.

Advisory Board Additions

Since September 1, 2005, we have invited the following people to join the Board: Dr. Laura Luster of Luster & Associates, Fred Williamson of Wells Fargo and Manuel Flores of the Carpenters Union.

The Program Sponsor has requested clarification of the guidelines for appointment to the Board of Advisors, most specifically, with respect to possible conflicts of interest.

Professional Services Provider

On September 12, 2005, Alton Byrd chaired a mandatory Mentor-Protégé Orientation meeting at the Lennar Trailer site. All program participants attended with the exception of a Protégé who was volunteering for the hurricane relief. Below are notes from that meeting.

Mentorship-Protégé Orientation Meeting September 12, 2005, 6-7 p.m. Lennar Project Trailers, Hunters Point

Present

Mentors: Aaron Ramirez, Project Manager, Sterling Environmental
Mahendra J. Shah, Peak Engineering
Abdel-Kader Khelifa, President, Coverall Engineering
Cathy Lagomarsino, Owner, A.S.F. Electric
Stuart Wachter, Manager, Ranger Pipelines

Protégés: Linda Hunter, Space Saver Designs (and 2 employees)
Frank Oliver, TransBay Construction
Allen Edson, Remediation Services
James Richards, Southeast Electrical

Other Attendees: Darryl Bishop, Let's Get Busy Contractors (not yet classified)

Protégé (Not Present): Qiana Riley, Astro Construction (volunteering w/Red Cross)

:

Introduction: After round-the-table introductions, Alton talked about the goals of the Program, the roles of Mentors and Protégés and the Lennar Project itself. He mentioned the other programs also in place to support Protégés, i.e., Financial Assistance Program and Small Business Assistance Program. Alton spoke of the Advisory Board members and their areas of expertise. He emphasized that his role is to facilitate the program in every way possible to make it successful for the Protégés, Mentors and Lennar.

Process: Alton suggested that each Mentor-Protégé team meet to go through a discovery process with regard to the Protégé's projects, revenue and bonding status.

Newsletter: There will be a monthly newsletter featuring Mentors and Protégés, "Here's What's Coming" in terms of biddable jobs; and general updates.

Submission of Forms: Alton reminded the group that the Joint Development Agreement is due by Monday, September 19, 2005 and addressed questions about the forms. The Monthly Progress Report is due the fifth day of the next month and 15 days after quarter-end.

: Next Steps: Answers to Questions Raised

- Have all demolition phase awards been made?
- What are the additional points given for Mentor participation? Is it different for different projects?
- Will Mentors receive additional points for projects already bid?
- For negotiated jobs (versus bids), will Protégés be allowed to be a part of that process?
- Are unions mandatory?

On September 19, 2005, the Joint Development Plan (JDP), a statement of intent and agreement submitted jointly by Mentors and Protégés, outlining a plan for their partnership covering milestones, measurement, cost of assistance, potential subcontracts and termination procedures was due. To date, we have heard from 4 of the 5 teams.

Alton Byrd is in touch with the fifth team as to when their JDP can be expected. **(The complete text of the JDP is appended below this report.)**

On September 21, 2005, the following e-mail message was sent to the Mentors and Protégés with regard to the upcoming Financial Workshop on October 8, 2005:

*Please save the date of October 8, 2005, 11 a.m. – 1:30 p.m.
Financial Workshop with financial institutions present.
This will be mandatory for attendance by Protégés. Mentors are also encouraged to attend.*

Outreach:

On September 26, 2005, the first edition of the Program's monthly GROW E-Newsletter was e-mailed to all Mentors, Protégés, the Board of Advisors, qualified contractors and subcontractors, consultants and community organizations, totaling 100 in all.

Below is a copy of the GROW E-Newsletter

You are receiving a Mentorship-Protégé Program Newsletter because you are either participating in the Lennar/BVHP Project Complete Mentorship-Protege Program or as a qualified contractor or sub- contractor, you are eligible to participate. To ensure that you continue to receive the newsletter from us, please add info@projectcomplete.com to your address book today.

September 2005

*GROW E-Newsletter
Brought to you by Lennar/BVHP and Project Complete*

Welcome!

Lennar and Project Complete welcome you to the first issue of GROW, the Mentorship-Protégé Program e-newsletter for the Bay View/Hunters Point Shipyard Project in San Francisco. Every month we will be updating our friends and colleagues interested in participating in the BVHP Shipyard project on our program. It is a key element of the commitment by Lennar and the San Francisco Redevelopment Agency to help construction-related industry businesses GROW through mentoring and strategic planning.

We encourage you to become involved in this Program as early as possible so that you can both help the community and help your businesses GROW through dynamic partnerships. Read on for more about the Program, workshops and networking opportunities.

To learn more and arrange an appointment with the Program Sponsor, Alton Byrd of Project Complete, please e-mail us at info@projectcomplete.org or call 1-888-381-7731 x4.

*J. Alton Byrd, Program Sponsor, Project Complete
What is the Mentorship-Protégé Program?
Goals and Benefits*

Program Goals

- *Increase business opportunities within Bay View/Hunters Point for Lennar Project and other local projects*
- *Promote excellence in business*
- *Promote self-confidence*
- *Introduce Protégé to the discipline of business*
- *Help businesses develop knowledge, skill and attitude for successful completion of their goals*
- *Connect local businesses with other professional organizations*

Benefits to Each Company

- *Helps small businesses grow within the Bay View/Hunters Point area*
- *Increases the base of qualified small businesses*
- *Mitigates the effects of necessary and justified contract bundling*
- *Strengthens subcontracting opportunities*
- *Fosters the establishment of long-term business relationships between large, primary contractors and small business subcontractors*

How to Get Involved

Contact Us

This bears repeating: to learn more about this dynamic Program, contact us at Info@ProjectComplete.org or 1-888-381-7731. We will soon have a direct extension at Lennar to give to you.

Project Complete Website

Mentor and Protégé of the Month

Mentor of the Month: Ranger Pipelines www.rangerpipelines.com 1296 Armstrong Ave., SF, CA 94124. Stuart Wachter, Manager, Special Projects, has been active in the Mentorship-Protégé Program since its beginning and is very much looking forward to working with their Protégé.

Protégé of the Month: Oliver Transbay Construction 1485 Bayshore Blvd., Ste. 324-#77 San Francisco, CA 94124. Frank Oliver will be working with Stuart of Ranger Pipelines to put together a Joint Development Agreement as a plan for their mentor-protégé relationship over the next twelve months.

Lennar Contracts Coming Up for Bid

We intend to advise you on a monthly basis of upcoming contracts at the BVHP/Lennar site so that Mentors and Protégés will have as much advance notice as possible.

Mentors and Protégés

And the number is GROWing...

Mentors: A.S.F. Electric, Inc. Coverall Engineering Peak Engineering Ranger Pipelines Sterling Environmental

Protégés: Astro Construction Oliver Transbay Construction Remediation Services Southeast Electrical Contractors Space Saver Designs, Inc.

Upcoming Networking Event

Small Business Networking Mixer for Mentors and Protégés!

You are invited to the Hunters Point Shipyard Small Business Networking Mixer. Please join us for cocktails and Hor'doeuvres! This is a great opportunity for BVHP Small Businesses to meet potential customers and clients. Dago Mary's Restaurant 916 Hunters Point Shipyard Thursday, October 6, 2005 4:00 pm - 6:00 pm. Presented by: Lennar BVHP and the San Francisco Redevelopment Agency Hunters Point Shipyard Small Business Assistance Program · Learn how the Small Business Assistance Program can help BVHP Area Small Businesses benefit from the Shipyard Development. · Learn about this program and how it can help bring you customers. · Introduce yourself to our consultants and contractors. · Meet fellow BVHP businesses. Please RSVP to: David Garland (415) 995-480,9 dgarland@lnrproperty.com

SAVE THE DATE!

Financial Workshop: Mandatory for All Protégés

On Saturday, October 8th, 10 a.m. – 12 noon there will be Financial Workshop at Dago Mary's at which three financial institutions will be present to discuss financial options with Protégés. Attendance at the workshop will be mandatory for all Protégés. Mentors are also encouraged to attend. For more information, please contact us or John Scott at 415-671-2184.

email: info@projectcomplete.org

phone: 1-888-381-7731

web: <http://www.projectcomplete.org> If I accept you as you are, I will make you worse; however if I treat you as though you are what you are capable of becoming, I help you become that. Johann Wolfgang von Goethe

This email was sent to jaltonbyrd@aol.com, by info@projectcomplete.org

Project Complete | 41 Dorman Street | San Francisco | CA | 94124

Text of the Joint Development Plan

MENTOR-PROTÉGÉ JOINT DEVELOPMENT AGREEMENT PLAN

Mentor Firm Information. Please provide the following:

- Name of Firm

- Contact Names: _____
- Position Title _____
- Address _____
- Telephone _____
- Cell _____
- Fax _____
- E-Mail _____
- Website _____
- Preferred Contact Method: _____

Protégé Firm Information. Please provide the following:

- Name of Firm

- Contact Names: _____
- Position Title _____
- Address _____
- Telephone _____
- Cell _____

- Fax _____
- E-Mail _____
- Website _____
- Preferred Contact Method: _____

Eligibility. The Protégé certifies that _____ is a currently eligible pursuant to the following criteria below:

- It is a small business concern that meets the definition of Small Business listed in the Community Business Agreement and therefore eligible for the Mentorship-Protégé Program;
- The Protégé represents that it ___ is, ___ is not a small disadvantaged business concern.
 - If the Protégé is a small disadvantaged business, please also identify the category in which its ownership falls: ___ Black American, ___ Hispanic American, ___ Native American, ___ Asian Pacific, ___ Subcontinent Asian, or ___ Individual concern, other than one of the preceding.
- The Protégé represents that it ___ is, ___ is not an 8(a) firm.
- The Protégé represents that it ___ is, ___ is not in the impact areas listed as 94124, 94134, and 94107 within the boundaries of the City and County of San Francisco Supervisorial District 10 on the date of this representation.
- The Protégé represents that it ___ is, ___ is not a women-owned small business concern.
- The Protégé represents that it ___ is, ___ is not a Veteran-owned small business concern
- The Protégé represents that it ___ is, ___ is not a Service Disabled Veteran-Owned Small Business concern.

Developmental Assistance Program

Please describe below the Developmental Assistance Program agreed upon by the Mentor and Protégé for the Protégé firm, specifying the types of assistance planned.

Areas of developmental assistance a Mentor firm can provide to a Protégé firm are listed below: Please include others not covered below.

Please also provide details as to:

Milestones. Define milestones for providing the identified developmental assistance.

Measurement. Factors for assessing the Protégé developmental progress under the program, e.g., criteria for evaluation of the Protégé’s developmental success to measure the effectiveness of the relationship, including a plan to increase the quality of the Protégé firm’s technical capabilities and how the Mentor’s assistance will potentially increase contracting and subcontracting opportunities for the Protégé firm.

Estimate of Cost. Please provide an estimate of the total cost of the developmental assistance.

Management guidance relating to:

Financial management relating to:

Organizational management relating to:

Overall business management/planning:

Business development:

Technical assistance:

Rent-free use of facilities and/or equipment:

Property:

Temporary assignment of personnel to the Protégé firm for the purpose of training:

Loans:

Any other types of mutually beneficial assistance:

Please attach further details on a separate sheet of paper, if more space is required.

Potential Subcontracts. Please provide the anticipated dollar value and type of subcontracts that may be awarded to the Protégé firm consistent with the extent and nature of the Mentor firm's business for the next 12 months.

Mentor Termination Procedures. Please describe the procedures for the Mentor firm to notify the Protégé firm in writing at least 30 days in advance of the Mentor firm's intent to voluntarily withdraw its participation in the Program.

Protégé Termination from the Program. Please describe the procedures for the Protégé firm to notify the Mentor firm in writing at least 30 days in advance of the Protégé firm's intent to voluntarily terminate the Mentor-Protégé Agreement.

Other Termination Procedures. Describe the procedures for the Mentor firm to terminate the Mentor-Protégé Agreement for cause which provide:

- The Protégé firm shall be given a written notice of the proposed termination, stating the specific reasons for such action, at least 30 days in advance of the effective date of such proposed termination.
- The Protégé firm shall have 30 days to respond to such notice of proposed termination, and may rebut any finding believed to be erroneous and offer a remedial program.
- Upon prompt consideration of the Protégé firm's response, the Mentor firm shall either withdraw the notice of proposed termination and continue the Protégé firm's participation, or issue the notice of termination.
- The Mentor firm shall submit a plan for accomplishing work should the agreement be terminated.

Other Term and Conditions. Please describe any additional terms and conditions that apply to the agreement.

Statement of Intent and Agreement.

The undersigned Mentor and Protégé firms agree to comply with the obligations set forth in Section 5 of the Community Benefits Agreement titled Mentorship-Protégé Program, and all other clauses and provisions governing the program.

The undersigned Mentor and Protégé firms permit Lennar/Project Complete to make available to the public the contact information included in the “**Mentor Firm Information**” and “**Protégé Firm Information**” sections of the Application.

The undersigned Mentor and Protégé firms acknowledge that this Mentor-Protégé Joint Agreement is for a 12-month term, which will be used for the Mentor to provide the developmental assistance outlined above.

Mentor Firm	Protégé Firm
Printed Name	Printed Name
Signature	Signature
Title	Title
Date	Date

Witnessed by:

 J. Alton Byrd
 Mentorship-Protégé Program Sponsor (Project Complete)

Dated: _____

E-Mail or fax completed form to Anne@ProjectComplete.org or call 1-775-640-8893.

Challenges: The challenges remain the same. The acceptance rate for both Mentors and Protégés is low because a number of potential Mentors and Protégés informed the Mentorship Program Sponsor that they believe that the program will benefit them more during the Vertical Development phase rather than during the Horizontal Development phase. The Mentorship Program will attempt to convince more people to sign up as Mentors and Protégés by continuous e-mail campaigns, direct mail marketing and by e-mail newsletters.

Thus far, the Horizontal phase yields the least amount of interest due to the limited contract work. The expectation is that as soon as the Vertical Development phase begins, there will be a significant uptake on program response and inclusion. Lennar has been encouraging contractors daily to be involved.

Next Steps

- Mentorship Program Sponsor to meet with Lennar representatives during the month of October to review and discuss 2005 contractual obligations in preparation for fiscal year 2006 contractual process.
- Continue mentors and proteges recruitment process.
- Continue hosting Mentorship Advisory Board meetings, as well as developing the GROW E-Newsletter.

COMMUNITY BUILDER PROGRAM

Introduction

Thirty percent (30%) of the Phase 1 lots designated for private housing development must be developed in partnership with BVHP Area Builders selected from the Joint Venture Community Builders Pool or by BVHP Area Builders included in the Independent Community Builders Pool. BVHP Area Builders means that developers and builders (i) do business in and have a primary business address in the BVHP Area with an established, fixed office in a non-portable building where regular construction related work is conducted, (ii) are listed in the Permits and License Tax Paid File with the City and County of San Francisco with a business address in the BVHP Area, (iii) possess a current Business Tax Registration Certificate issued by the City and County of San Francisco that shows a primary business address in the BVHP Area, (iv) have a demonstrated history of working in the BVHP Area and (v) if the developer or builder does not do business in the BVHP Area, or if the primary business address is not in the BVHP Area, then the developer or builder must include an owner or owners of at least 51% of the ownership interest in the company who provide satisfactory evidence to the Selection Panel that such owner(s) lives in the BVHP Area. Such developers and builders may include faith-based development organizations in the BVHP Area.

A primary goal of the Community Builder Program is to provide capacity building opportunities to Joint Venture Community Builders. Through this joint venture experience based on the work performed by the Joint Venture Community Builders, an introduction to various financial and professional resources will provide opportunities for the Joint Venture Community Builders to secure development projects on their own. With respect to the Independent Community, the primary goal of the Community Builder Program is to provide priority access to development opportunities on the Hunters Point Naval Shipyard to further their business growth and experience.

Community Builder Program Contact

The Community Builder Program Liaison for Lennar is Clem Clarke. Ms. Clark's contact information is below and she is available to answer questions regarding all components of the Community Builder Program Monday – Friday, 9:00 a.m. – 5:00 p.m.

Lennar Office
49 Stevenson, Suite #600
San Francisco, CA 94105
415.995.1770 (P)
415.995-1778 (f)
clem.clarke@lennar.com e-mail

Receipt of Statement of Qualifications

On August 3, 2005, the statements of qualification were due at Lennar, San Francisco's office. A total of twelve (12) statements of qualification packets were received by August 4, 2005 and one (1) statement of qualification was received by September 7, 2005.

According to the Community Benefits Agreement, Lennar had to notify potential Qualified Community Builders of receipt of the submitted Community Builder application by the ten (10) day deadline. The twelve (12) applicants were not requested to submit additional information in their August 16, 2005 letter because the initial review process had not taken place in order to request the additional information needed to complete the applicant's packet. The thirteenth (13) applicant was notified within the ten (10) day period that we received his statement of qualifications packet.

Initial Review Process

Lennar contacted the San Francisco Redevelopment Agency August 16, 2005 to inquire about setting up a meeting date and time for Lennar and SFRA representatives to initially review the packets in order to request supplemental information from each Community Builder applicant. Due to scheduling conflicts, representatives from the SFRA were unable to meet with Lennar representatives to initially review the packets. Lennar representatives proceeded and the date of the initial review process was Wednesday, August 31, 2005.

After the initial review process, Lennar representatives sent a letter dated September 7, 2005 to the thirteen (13) Community Builder applicants to inform them of the new interview date the week of September 26, 2005, as well as to request supplemental information for their packets.

On September 21, 2005, Lennar sent a follow-up letter to the thirteen (13) applicants, confirming the actual date, time and location of their interview. Follow-up phone calls were made to each applicant confirming receipt of their interview letter, stating the date, time and location of their interview.

Selection Panel

Lennar/BVHP was required to notify the Agency of which Lennar/BVHP representatives would be on the Joint Venture Community Builder Pool and Independent Community Builder Pool Selection Panel no later than July 4, 2005.

On approximately July 15, 2005, Lennar/ BVHP notified the Agency that the following Lennar/BVHP representatives would be on the Selection Panel:

- Gary McIntyre-Project Manager
- Clem Clarke-Assistant Project Manager-Community Benefits Program
- Anthony Flanagan-President of Urban Development Division
- Victor Ogu-Contract Compliance Officer.

The Agency will have at least two (2) representatives on the Selection Panel and Lennar/BVHP has asked the CAC to appoint two (2) members to the Selection Panel.

Selection Process

Lennar/BVHP officially requested an extension the week of August 22, 2005 for the RFQ applicant interview date of September 2 due to the Labor Day holiday weekend

All identified selection panel members from Lennar, SFRA and the CAC received their Community Builder statement of qualification packets for review on Thursday, September 22, 2005. The first round of interviews started Wednesday, September 28, 2005 through Friday, September 30, 2005. The two (2) CAC members opted not to participate in the selection panel process on Tuesday, September 27, 2005. A formal request was made by Lennar for the two (2) CAC members to return the confidential documents of the Community Builder applicants.

Next Steps

- The selection panel will summarize the first round of the interview process the week of October 3, 2005
- Contact the applicants mid to late October 2005 and inform them in writing of the next steps to the process

INTERIM AFRICAN MARKETPLACE

Introduction

Lennar/BVHP must establish an Interim African Marketplace to serve as an African-themed temporary festive outdoor setting for the display and sale of arts, craft, sculptures, fabrics, clothing, books and fresh and healthy foods as commonly found in a farmer's market. Additionally, the Interim African Marketplace will serve as a venue for the presentation of musical performances such as gospel, jazz and blues and world music. The Interim African Marketplace will establish the Shipyard as a music entertainment,

cultural and tourist destination, as well as provide economic opportunities for local artists.

Interim African Marketplace Contacts

James Burks, Director of the Los Angeles African Marketplace, Inc. (LAAM) serves as the operator of the Interim African Marketplace. Please contact Mr. Burks with any questions regarding the vision and business plan for the IAM at his office at (213) 847-1540 or e-mail at jvburks@earthlink.net.

The Bayview Opera House serves as the local, community based arts and cultural development organization (Local Arts and Cultural Development Organization “LACDO”). The LACDO is responsible for outreach to the arts and cultural communities for participation in the development of the Interim African Marketplace business plan and overall implementation. Additionally, the LACDO is to assist the Operator with the planning efforts for the Interim African Marketplace. Please contact Shelley Bradford Bell with any questions or comments regarding the outreach for the IAM at her office at 415-824-0386, fax 415-824-7124 or e-mail at sbb@bayviewoperahouse.org

The San Francisco Small Business Development Center (SFSBDC) is responsible for assisting the Los Angeles African Marketplace (LAAM) organization and the Bayview Opera House (LACDO) in working with the local arts, cultural, civic and business leaders in the creation of an implementation plan and timetable for the IAM. Also, the SFSBDC is responsible for helping to identify key issues that impact the business plan for the IAM as well as participate in meetings with community groups, the Redevelopment Agency for the City and County of San Francisco and LAAM, LACDO and Lennar/BVHP consultants’ as needed. Furthermore, SFSCDC will provide business assessment, counseling and educational training to vendors selected for the IAM. Ulysses J. Cozart, Jr., Assistant Director of the San Francisco Small Business Center (SFSBDC), acts as the liaison between the IAM consultants, Lennar/BVHP and the City of San Francisco. Please contact Mr. Cozart with any questions regarding the status of the IAM. He can be reached at 455 Market Street, 6th Floor, San Francisco, CA 94066, office 415-908-7504, fax 415-974-6035 or e-mail uj@sfsbdc.org.

Methodology

Meetings were held with the IAM Team, Lennar management and the City of SF officials to determine several priorities including adherence to a timeline that was not in sync with other operating elements of Lennar Communities, i.e., construction, marketing; and the establishment of an “event” that would provide the signature statement for this project. Additionally, questions now arise as to the level of financial commitment needed to launch this project, both the design and construction, and the initial year of staffing and subsidized programming.

The management team’s meetings also revealed that the priority of the IAM was the establishment of an opening program and calendar of events. The success of the IAM will

be dictated by the ability of the IAM team and operators to raise additional funds. These additional funds and resources were resolved as having to come from several sources. The first was Lennar Communities' realization of the cost of implementing this project and the subsidization of the initial efforts to enhance the physical plant. In addition, Lennar realized the need to bring aboard a local skeleton staff to raise funds by building community relationships, solicit potential programming partners and to solicit anchor and specialty vendors. Additionally, a request to Lennar to provide subsidized accommodations, office space, utilities, telephone and office support was made.

The meeting further brought the realization to the Team that the success of IAM 2006 program required it to be tied to the 2006 21st annual Los Angeles African Marketplace & Cultural Faire. This would provide several resources:

1. Access to the LAAM vendor and entertainment resources
2. Leverage of the LAAM web site and web master to build the IAM web page
3. International artists and group bookings
4. Shared fiscal responsibility for the hiring of consultants for fund raising and development

Follow-up meetings led to the IAM consultant's research in three areas crucial to the business plan. These include: (1) venues that could be compared and contrasted with the plans for the IAM to be a quasi-permanent cultural Marketplace to be a comparable venue; (2) sources of public and private funding; and (3) strategies for obtaining sponsorship from targeted corporations locally, nationally and internationally, as well as countries in the African Diaspora.

The IAM team's quest to organize and implement a plan that agrees with the stakeholders and the community that utilizes existing Lennar Communities' resources, recognizes that analysis of these areas alone does not constitute a complete assurance of establishing a quick opening program and post seasonal IAM program. For example, established lease space income and private sources of funding, is essential for a successful Interim African Marketplace. Additionally, the importance of attracting program partners is equally as important as indirect funding support. However, the protracted issues the interim site faces, in relation to the permanent Marketplace time constraints, almost do not allow for significant research and solicitation of corporate and public support for a new project before the scheduled opening date.

Update IAM Business Plan Review Process

An extension request was submitted to the Lennar/BVHP team by the IAM team on August 1, 2005. A formal response is still pending.

Following the response to the submission of the IAM Business plan draft on August 1, 2005, a mandatory work session was called with the IAM team and Lennar/BVHP stakeholders on September 2, 2005, to discuss the concept of the business plan. From this

meeting, the IAM consultant was clearly able to identify the priorities of the stakeholders related to the implementation of the African Marketplace program on the interim site. The available financial resources to develop the site, staffing and programming were all clarified and all were considered unsubstantial for the project.

A new business plan containing all of the elements discussed in the September 2, 2005 meeting was submitted on September 12, 2005. Comments were received and responses were to be resubmitted by October 4, 2005.

The marketing consultant submitted a marketing plan, but it was later determined that the marketing plan could not be funded by the available budget. In addition, the plan required the addition of community/grass roots marketing, to be accomplished by media and programming partners. A meeting has been planned with the marketing team and the IAM consultant to discuss and pair the budget, plan and timeline to coincide with the timeline for the business plan.

The first in a series of three (3) planning charettes organized by the Bayview Opera House staff took place on September 10, 2005. Despite sparse attendance, the dialog generated provided some support for the concept of the IAM and provided facilitators and IAM consultants with additional resources and information for coordinating future charettes. Meetings were held with outreach coordinators to improve dissemination of information in preparation of the next charette.

Of particular importance at this meeting was the attendance of three artists evicted from the shipyards, which represented the artist community. Their acceptance of the project's ideas inspired hope and resolve of future opportunities for this community to partner with the IAM and to include several of the artist's annual events in the IAM calendar.

In addition, the existing Farmers Market has committed to extend their activities to a location at the IAM site. The date, time other logistics will be discussed at a later date.

Programming accomplishments:

During the month of September, the IAM team was able to secure a list of existing San Francisco festivals, and determine competing dates, and potential partners who will either relocate their event to the IAM site or establish the IAM site as a satellite to their event/program. Ongoing dialog with the San Francisco African American Tourism Council continues with plans to incorporate several recent programs, i.e., "A Taste of African American SF," and marketing and promotional literature in the IAM program plans.

A representative of the Mayor's Office of economic development suggested a meeting with the 3rd street merchants. Their concerns were centered on the available opportunities for them and how the IAM could be supportive of their businesses. It was pointed out that the IAM business plan had not been accepted at that time and we would be premature to begin discussing how the IAM would be in a position to support the merchants. Once the business plan is approved, additional discussions will take place.

Outreach Outreach efforts continue with presentations at community group meetings, which are held by Lennar/BVHP staff, and through other community benefit efforts

which consists of: press releases, telephone campaigns and e-mail blasts to local community groups, including artists, churches and business leaders.

Outreach efforts were enhanced prior to the upcoming October 15, 2005 charette by IAM consultants and the Bayview Opera House.

A business mixer is planned for October 6 at Dago Mary's and will present the IAM consultants with an opportunity to further expose the concept of the IAM to the BVHP business community. The IAM is also mentioned in the Mentorship Program's GROW-E Newsletter, which is distributed to the local community. There are plans for a more concise campaign to be developed with both public relations and marketing consultants. This campaign will have international, national and local focus that will determine a theme approach; highlighting the uniqueness of the project, its short-term (the IAM site's 2006 opening) and long-term plans, goals and objectives.

Physical Plan

Several meetings were held in Los Angeles and in San Francisco with Landscape Architect consultant Miles Stevens, to revise initial site preparation plans to commensurate with the September 2 meeting findings, which determined there were limited financial resources allocated for site preparation. The idea of establishing a quasi-permanent canopy on the site was abandoned. The initial concept was of a tall icon that announced the IAM when entering the shipyards. This icon could be viewed from the East Bay as well, as we sought to attract an ongoing audience. We also had to decide on resurfacing the 1.2 acre asphalt site. While this is still being considered, it was clear that some form of ground covering would still have to be considered. An indoor/outdoor astro turf surface was initially considered, however, resurfacing with asphalt may have to be the consolation due to the cost factor.

Additionally, the lack of a sewage system to remove sewage and wastewater from the site's restrooms, food vendors and the farmers market is of concern. Without sewers, the site will require waste removal, which would be a costly endeavor. Permanent restrooms would result in huge savings, as opposed to renting portable restrooms and sinks. Lennar executives raised this concern in the September 2, 2005 meeting.

Landscaping trees and artistic structures were also removed from the plan. Due to the lack of funds, it was determined that temporary plants awaiting planting that were purchased by Lennar communities contractors could conceivably be used to define the site.

Drinkable water was also raised as a concern and was addressed in the September 2, 2005 meeting. At this time, a solution has yet to be reached, though it was thought that water existed on the site. The City of San Francisco Water Department would need to be consulted in order to permit access to the site's water.

The site design was submitted with a draft business plan. We are waiting for approval of the business plan so we may meet our October 2005 timeline goal. Following the

approval of the business plan, a meeting with the consultants to determine fees for design and supervision of construction will further keep the approval of the business plan pending.

Site Design, Layout and Build Timeline	
Site Plans	Timeline
Schematic design and layout	Completed September '05
Approval of site design and layout	September 5- October 30, 2005
Design Development	November 2005
Arts Commission	November 2005

Timeline (for each component or one large master timeline)

Marketing Communications Timeline	
Marketing Plan	Timeline
Announcements sent out for first community planning charette	Occurred on September 10, 2005
Announcements for 2 nd charette sent out to potential participants and media	September 20, 2005
Collateral design and development	October '05 - January '06
Host 2 nd charette	October 15, 2005
Send out announcements for final charette	October 17, 2005
Website design and development	October 20 - November '05
Graphic identity development, including graphic standards	October 20, 2005
Revisions to initial mktg. plan	October 28, 2005
Launch Corporate and Foundation Program Campaign	November '05

Items accomplished and proposed for the coming month are demonstrated in the timeline:

- a. Completion of one charette and organizing notes from it
- b. Preparation for next charette
- c. Contracting with facilitator
- d. Contracting with fundraiser and developer
- e. Design marketing and fundraising campaign
- f. Design marketing material and image to begin corporate solicitation for sponsorship and funding support
- g. Begin preparation for ongoing solicitation of existing events and individuals, artists, arts organizations, small cottage businesses and

- craftsmen, vendors, and businesses in the commercial district to partner with next year's opening event
- h. Prepare corporate and public sponsorship and funding respectfully for solicitation of funding and matching services for next year
 - i. Address Lennar communities and the City of San Francisco officials regarding budget and marketing plan to match timeline proposal
 - j. Target city departments to provide in-kind and financial support
 - k. Seek potential staff from Bay Area

Overall Potential Challenges

The following are those challenges perceived by the consultant that could conceivably lead to delays and reduction in the quality of the IAM site and program:

- Funds
 1. Determine if contract with LAAM will be in effect after December 2005
 2. Need to identify funds to set up an office in Hunters Point, for creating promotional materials and to bring working staff on board immediately. This includes identification of potential in-kind services that can be shared with other contractors, i.e., office space, telephones, etc
- Implementation/Inclusion
- Timing
 1. Consolidating notes from September 10 charette, preparing for completion of charettes in October and November, compile notes, and begin recruitment of partnering organizations, individuals and projects
 2. Edit draft of timeline/business plan submitted earlier this month
 3. Meet with business community
 4. Meet with San Francisco tourism council to plan projects coinciding with opening events and to include post event activities
 5. Meet with marketing consultants
- Size/Space allocated for Marketplace: Confirm access to adjacent space for opening event
- Target equipment resources in Bayview Hunters Point
- What's the back up plan for funding limits, staffing funds, marketing plan and consultant

Design Team Potential Challenges

1. Design Development

- a. Utilities (schedule for delivery)
2. Construction Documentation:
 - a. Instructions on how to build it
 - b. Bidding process (45 day minimum)
 - c. Time to build it
 - d. Redevelopment review
 - e. Overlap of construction issues
 - f. Artist involvement

Next Steps

- Outreach to existing festivals
- Outreach to San Francisco Convention & Visitor's Bureau
- Form an artist advisory committee
- Form a Program Committee
- Begin to identify potential corporate and public vendors
- Arrange for IAM consultants to meet with Lennar representatives during the month of October to review and discuss 2005 contractual obligations in preparation for fiscal year 2006 contractual process.

CULTURAL/HISTORICAL RECOGNITION PROGRAM

Introduction

Pursuant to Section 5.1 of DDA Attachment 24B, Lennar/BVHP shall develop a design program that (a) through the urban design process identifies 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; (b) integrates cultural features and facilities throughout the Shipyard, starting with Phase 1 through the Interim African Marketplace; and (c) provides opportunities for local artists (both at the Shipyard and from the surrounding community) to participate in creating public art for the Shipyard, working with the community to identify appropriate locations and art forms for the public art program.

Cultural/Historical Recognition Program (CHRP) Contact

Iлона McGriff of LSM Legacy is the fundraising consultant for the Cultural Historical Recognition Program (CHRP). Please contact Ms. McGriff with any questions or comments about the CHRP at 510-238-8428, and also at 510-238-8493, or e-mail her at LSMLegacies@sbcglobal.net

Next Steps

- Continue to identify Exploratory Committee seed money
- Continue to identify Exploratory Committee members
- Arrange for CHRP consultants to meet with Lennar representatives during the month of October to review and discuss 2005 contractual obligations in preparation for fiscal year 2006 contractual process.

BUSINESS INCUBATOR SPACE PROGRAM

Introduction

In an effort to facilitate the growth and development of a variety of businesses at the Shipyard, Lennar/BVHP must set aside space for a small business incubator program.

The Business Incubator Space Program will be implemented in connection with the vertical development phase. Lennar/BVHP must include in all of its purchase agreements for lots zoned to permit retail space, provisions that require the applicable Vertical Developers to (i) cooperate with Lennar/BVHP in drafting and revising as required by the Agency, the Business Incubator Space Plan and submit such plan to the Agency for approval prior to awarding any vertical commercial contracts on an Affiliate Lot; and (ii) provide the lease for the Business Incubator Program Space to the Agency for prior approval. Additionally, prior to the awarding of the first vertical commercial

construction contract, Lennar/BVHP must submit to the Agency for the Agency's review and approval, a proposed plan delineating the outline and square footage of the premises proposed for the Business Incubator Space Plan and a budget of the development costs (including developer's overhead and cost of funds, but excluding profit) and resulting rent required to recover such costs (the "Business Incubator Space Plan"). Based on the current construction schedule, Lennar/BVHP expects to submit the Business Incubator Space Plan to the Agency by late spring to early summer 2006.

HOMEBUYERS' ASSISTANCE PROGRAM

Introduction

Lennar/BVHP must develop a program to provide assistance to qualified Shipyard homebuyers of affordable as well as market rate homes. The Homebuyers' Program will include down payment assistance, first time buyer financing programs and homeownership counseling services. Lennar/BVHP is required to (i) offer a zero-down payment option through its affiliate mortgage company, Universal American Mortgage Company (UAMC), to qualified buyers of market rate homes; (ii) provide buyers of affordable homes with a list of programs that could be a source of gift funds for 2% of the required 5% down payment required by the Agency's affordable housing program; (iii) provide qualified home buyers with a choice of financial lenders that provide 30 year fixed mortgage loans for low and moderate income home buyers; (iv) notify community-based homeownership counseling services, such as the Consumer Credit Counseling of San Francisco, of the opportunity for homeownership at the Shipyard in advance of marketing the homes for sale; (v) provide an orientation to the counseling services' staff; (vi) provide loan application information to prospective homeowners; and (vii) conduct certain outreach efforts.

Home Buyers' Assistance Program Contact Person

Lynn Bell, of Lennar/BVHP, serves as the Home Buyers' Assistance Program Liaison. Please direct any questions or comments regarding the Home Buyers' Assistance Program to Lynn Bell. Lynn Bell can be reached at her office at 415-995-1770, fax at 415-995-1778 or by email at lynn.bell@lennar.com.

Next Steps

- Prepare for Homebuyers' workshops in October and November 2005
- Facilitate discussions with other financial institutions for potential involvement
- Continue to encourage credit counseling through SFHDC
- Continue to outreach to the BVHP Area about the program

JOB TRAINING AND EMPLOYEE ASSISTANCE PROGRAM

Introduction

Lennar/BVHP is awarding \$225,000 in 2005 and 2006 for a total of \$450,000 to fund job training and employee assistance programs serving Bayview Hunters Point Area (BVHP Area) residents, that is residents of zip codes 94124, 94134 and 94107 within the boundaries of the City and County of San Francisco Supervisorial District 10. The awards for 2005 and 2006 represent the first round of job training and employee assistance funding that Lennar/BVHP will make available during Phase 1 of the Hunters Point Shipyard development project. Based on a survey conducted by Lennar/BVHP, Lennar/BVHP determined that the types of training programs most in need of funding for BVHP Area residents are for occupational skills, youth development, construction skilled trades and professional services.

Job Training and Employee Assistance Program Contact Person

Laura Luster, of Luster National, serves as the Job Training and Employee Assistance Program Liaison. Please contact Dr. Luster with all questions and comments regarding the Job Training and Employee Assistance Program. Laura Luster can be reached at her office at 510-282-7769, fax at 510-238-8493 or by e-mail at llusterassociates@comcast.net.

Next Steps

- Finalize contracts with all job-training providers
- Establish the monitoring process of organizations receiving the grant funding
- Job Training and Employee Assistance Liaison to meet with Lennar representatives during the month of October to review and discuss 2005 contractual obligations in preparation for fiscal year 2006 contractual process

LOCAL COMMUNITY PRIORITY LEASING PROGRAM

Introduction

Lennar/BVHP and all Vertical Developers shall implement a local priority-leasing program for businesses that have a primary business address in the BVHP Area with an established, fixed office in a non-portable building where regular business is transacted and that is appropriately equipped for the business of the enterprise. Such businesses must be listed in the Permits and License Tax Paid File with the City and County of San Francisco with a business address in the BVHP Area, possess a current Business Tax Registration Certificate issued by the City and County of San Francisco and show a primary business address in the BVHP Area. If the primary business address is not in the BVHP Area, then the business must include one or more owners of the business with at least a fifty-one percent (51%) ownership interest in the business and must provide

Lennar/BVHP or the applicable Vertical Developer with satisfactory evidence that such owner(s) lives in the BVHP Area. The goals of the Priority Leasing Program are (i) to generate interest from BVHP Area Businesses so that a significant portion of the total prospective tenants who make inquiries, request brochures, attend tours and make offers on available lease space are BVHP Area Businesses; and (ii) to give priority consideration to displaced BVHP Area Businesses.

Local Community Priority Leasing Program Contact Person

Cliff Miller is the Local Community Priority Leasing Program Liaison. Please direct all questions and comments regarding this program to Cliff Miller at office at 415-995-1770, fax at 415-995-1778 or e-mail at CMiller@lnrmail.lnrproperty.com.

Leasing Plan

Lennar/BVHP shall include in all Purchase Agreements for the Lots requirement that (i) within 90 days following the commencement of the Vertical Development on the particular Lot, the Vertical Developer shall provide to the Agency for the Agency's approval a leasing plan; (ii) all vertical construction shall cease if the leasing plan is not delivered to and approved by the Agency within such 90 day period; and that among other things, the BVHP Area businesses must be equitably distributed throughout the retail areas.

The Priority Leasing Program aspect of the project will not be implemented until the Vertical Development phase of the commercial building parcels are developed. In the case of Parcel A, that is the development of Block 1, with 70,000 square feet of commercial space on the lot at Donahue Street and Innes Avenue.

SMALL BUSINESS ASSISTANCE PROGRAM

Introduction

Lennar/BVHP must establish a Small Business Assistance Program that identifies opportunities to assist small businesses in the BVHP Area to obtain contracts for and participate in other business opportunities at the Shipyard. Lennar/BVHP shall require all of its contractors and consultants (other than legal and auditing) in connection with the Shipyard Project to use their best efforts to purchase no less than 20% of the dollar value of all of their Shipyard Project-related purchases from BVHP Area Small Businesses.

Small Business Assistance Program Contact Person

Cliff Miller of Lennar serves as the Small Business Assistance Program Liaison. Please contact Mr. Miller with any questions or comments regarding the Small Business Assistance Program. Cliff Miller can be reached at his office at 415-995-1770, fax at 415-995-1778 or e-mail at CMiller@lnrmail.lnrproperty.com.

Lennar/BVHP Area staff participated in the Asian, Inc. and Bayview Business Resource Center Networking Fair at the SE Community Center on July 18, 2005. Lennar/BVHP sponsored a booth at this event. Copies of the Small Business Directory were made available for all attendees, as well as the Community Builders RFQ and the list of pre-qualified prime contractors and subcontractors. Three Lennar consultants attended this networking fair and Asian, Inc. fulfilled all the outreach for this event .

Next steps

- Continue to follow-up on the monthly reporting surveys
- Prepare for the upcoming October 6, 2005 mixer
- Continue to monitor the program in order to reach maximum success