# BALLPARK VILLAGE PROJECT

#### COMMUNITY BENEFITS AGREEMENT

#### ARTICLE 1 PURPOSE

The purpose of this Community Benefits Agreement for the Ballpark Village Project is to provide for a concerted and coordinated effort on the part of Developer and A Community Coalition for Responsible Development (ACCORD) to maximize the benefits of the Ballpark Village Project to the community.

With this Community Benefits Agreement, Developer and the Ballpark Village Project will generate quality jobs with health care for workers; will create affordable housing for working families and for residents in surrounding communities; will provide for environmentally-sensitive construction and design; will reflect the interests of waterfront workers; will enhance employment opportunities and job training targeted to community residents in need of employment; will contribute toward youth, arts and cultural services in the surrounding communities; and will provide for the study of economic impacts of development on the surrounding communities.

This Community Benefits Agreement is agreed upon this 20<sup>th</sup> day of September, 2005, by and between the parties hereto.

## **ARTICLE 2 DEFINITIONS**

As used in this Agreement, the following capitalized terms shall have the following meanings. All definitions include both the singular and plural form.

"ACCORD" shall mean an unincorporated association composed only of the organizations signatory to this Agreement under the ACCORD Member Organization Signature Pages. These organizations are referred to individually as "Member Organizations." Section 9.10 clarifies the allocation of rights and responsibilities under this Agreement between ACCORD and Member Organizations. Obligations of a Member Organization shall be obligations only of the organization itself, as distinct from its associated organizations, constituent organizations, or any natural persons.

"Addendum" shall mean that certain Addendum to Final Subsequent Environmental Impact Report to the Final Master EIR for the Centre City Redevelopment Project and Addressing the Centre City Community Plan and Related Documents for the proposed Ballpark and Ancillary Development Projects, and Associated Plan Amendments, dated September 13, 1999.

"Affordable Housing Agreement" shall mean that certain Affordable Housing Agreement attached hereto as Attachment G.

"Agency" shall mean The Redevelopment Agency of the City of San Diego.

"Agreement" shall mean this Community Benefits Agreement, including all attachments.

"Area Median Income" shall mean the area median income, as adjusted for family size, for the San Diego Metropolitan Area as promulgated by the California Department of Housing and Community Development ("HCD"). In the event HCD ceases to publish an established Area Median Income as aforesaid, the parties shall determine another reasonably comparable method of computing Area Median Income.

"Base Zone" shall mean the lower portion of a building within the Project up to a height ranging from fifty (50) feet to sixty (60) feet above ground level.

"BMPs" shall mean the best management practices.

"CCDC" shall mean the Centre City Development Corporation.

"City" shall mean the City of San Diego.

"Covered Employee" shall mean any individual employed on a full-time, part-time, temporary, or seasonal basis by any Covered Employer, to the extent of hours worked to perform Services.

"Covered Employer" shall mean: (i) any Service Contractor; or (ii) the Developer. The definition of "Covered Employer" shall include Developer or its successor with respect to the operation of a membership-only club or facility operated for the primary benefit of the residents which includes both fitness and food and beverage facilities (the "CityClub"). The following entities shall not be considered Covered Employers:

- a. Individual natural persons or entities who are homeowners or tenants in residential portions of the Project. Owners' associations and retail merchant associations are not excluded from the definition of Covered Employer under this subsection a.
- b. Businesses, including their parent and subsidiary entities, employing twelve or fewer employees for each working day in each of twenty or more calendar weeks in the preceding or current calendar year, so long as the business, including any of its subcontractors, will not need to retain more than twelve employees to perform work related to a Service Contract.
- c. Businesses classified as tax-exempt under Internal Revenue Service Code, section 501(c)(3), to provide community-based social services, and whose highest paid officer earns a salary that, when calculated on an hourly basis, is less than eight times the hourly wage rate of the lowest paid full-time employee.

"Developer" shall mean Ballpark Village LLC, a Delaware limited liability company, that currently holds title to the entirety of the Site.

"First Source Referral System" shall mean the system developed and operated to implement the First Source Hiring Program, described in Attachment C, and the organization operating or administering it.

"Health Benefits Rate" shall mean a minimum dollar amount per hour toward the cost of health and medical care insurance for employees and their dependents, initially set at \$2.00 per hour, and adjusted periodically as described in Section 4.1.2.2.

"Implementation Committee" shall have the meaning set forth in Article 7.

"Interest" shall mean any leasehold interest in the Project or the Site or any portion thereof, ownership of a condominium unit within the Project or the Site, or fee ownership of any portion of the Site.

"Job Center" shall mean the space described in Section 4.5.

"Job Notification Program" shall mean the program described in Attachment C.

"Low-Income Local Resident" shall mean an individual whose household income is no greater than 80% of the Area Median Income, adjusted for household size, and who resides in the Neighboring Communities.

"Master Plan" shall mean those certain San Diego Ballpark Village Master Plan Development Standards dated August 08, 2005, not including the reference to "Visitor Accommodations" as an allowed use on page 8.

"Member Organization" shall have the meaning set forth in the definition of "ACCORD."

"Mid Zone" shall mean that portion of a building within the Project immediately above the Base Zone up to a height of ninety (90) feet above ground level, but excluding any portion of the Tower Zone.

"Neighboring Communities" shall mean the area bounded by Highway 94 on the north, the San Diego Bay on the south, Interstate 15 on the east, and the Site.

"Owner Participation Agreement" shall mean that certain Owner Participation Agreement by and between Developer and the Agency regarding the Project.

"Parcel" shall mean any legal parcel of the Site, or any future parcel of the Site as may be created by subdivision map or lot line adjustment.

"Parcel D" shall mean Lots 7, 8, 10 and 12 of Parcel Map No. 18855, in the City of San Diego, County of San Diego, State of California, according to map thereof filed in the Office of the County Recorder of San Diego County, December 7, 2001.

"Podium" shall mean the Base Zone plus the Mid Zone.

"Project" shall mean the mixed-use project located on the Site, consisting of residential, office, and retail uses, as developed and constructed in accordance with the Master Plan.

"Project Approvals" shall mean (1) approval by the Agency of the Master Plan and the Owner Participation Agreement for the Project; (2) certification by the Agency of the Addendum; (3) approval by the CCDC Board of Directors and the Agency (if applicable), of Centre City Development Permits for the Project and all plans, drawings and other items submitted in connection therewith, at the Centre City Development Board level; and (4) any other government approvals or permits requested by Developer for construction, development, and operation of the Project, including without limitation, issuance by the City of building permits to implement the Project.

"Rehabilitated Ex-Offender Job Training Program" shall mean a job training and preparation program targeted at rehabilitated individuals who have completed all sentencing requirements associated with the previous commission of crimes and who are meeting all applicable conditions of probation or parole, but excluding those individuals convicted of crimes defined as "serious felonies" in California Penal Code Section 1192.7(c) and those individuals required to register as sex offenders under California Penal Code Section 290.

"Services" shall mean the following types of employment activities that are performed on-Site or to benefit the Project:

- (a) Facility and building maintenance;
- (b) Janitorial, custodial, and housekeeping;
- (c) Landscaping;
- (d) Laundry;
- (e) Parking services;
- (f) Pest control; and
- (g) Security services.

"Service Contract" shall mean any contract, subcontract, franchise agreement, or other agreement for provision of Services, with a term of more than 90 days.

"Service Contractor" shall mean any entity that has entered into one or more Service Contracts with a combined annual value of payments in excess of \$25,000. If any Service Contract is or will be performed through various subcontracts that in combination have a combined annual value in excess of \$25,000, then any entity performing any such subcontract shall be deemed a Service Contractor.

"Site" shall mean Lots 7, 8, 10, 12, and 13 through 16, inclusive, of Parcel Map No. 18855 filed on December 7, 2001 as File No. 2001-0900838 in the Official Records of the San Diego County Recorder.

"Successors" shall mean successors in interest, transferees, assigns, agents, and representatives.

"Targeted Applicants" shall mean the individuals described in Section 4.2.

"Tower Zone" shall mean that portion of a building immediately above the Mid Zone and above ninety (90) feet from ground level.

# ARTICLE 3 ENVIRONMENTAL COMMITMENTS

# 3.1 Green Building Principles.

- 3.1.1 LEED Certification. Developer shall obtain at least certified status for buildings within the Project under the Leadership in Energy and Environmental Design Green Building Rating System for New Commercial and Major Renovations (LEED-NC) (Version 2.1). As part of Developer's commitment to obtain such certification, Developer shall obtain at least seven (7) points within the LEED category of Indoor Air Quality. Developer shall contract with a commissioning authority independent of the design team to verify and ensure that each building in the Project is designed, constructed, and calibrated to operate as intended, as required by LEED (Version 2.1) Credit 3.1 described as LEED Additional Commissioning.
- 3.1.2 Investigation Into Higher LEED Level. Developer shall use diligent, good-faith efforts to investigate the feasibility of constructing a building within the Project that achieves a higher LEED level than the certified level (i.e., silver, gold or platinum level). Such investigation shall include the feasibility of pursuing the use of solar (photovoltaics), energy efficiency and/or other sustainable onsite energy sources. All determinations of feasibility shall be within Developer's sole and absolute discretion. If Developer determines, in its sole and absolute discretion, that such construction is feasible, it shall proceed with such construction.
- 3.1.3 LEED Progress. Through the Implementation Committee, Developer and ACCORD shall periodically meet and confer regarding Developer's progress to comply with its obligations under this Section 3.1.3. Developer shall include in such meetings such consultants and experts (typically, commissioning agent and architect) as Developer deems appropriate and necessary to advise and coordinate with the parties regarding LEED progress.
- 3.2 Hazardous Substance Remediation. Developer shall comply with the provisions set forth in Attachment A.

#### 3.3 Construction Practices.

**3.3.1** Cranes. Developer shall ensure that in all on-Site construction, tower cranes shall have either electric motors, or diesel motors with catalytic converters or similarly effective pollution control devices.

- **3.3.2 Bio-Fuel.** Developer shall ensure that in all on-Site construction, all construction equipment utilizes only bio-diesel fuel, whenever such fuel is available from a commercial supplier, with delivery to the Site and a price not greater than one hundred ten percent (110%) of the price for regular diesel fuel.
- **3.3.3** Construction Traffic. Developer shall cause the operators of all vehicles entering and exiting the Site for purposes of construction of the Project to be instructed to use (a) Imperial Avenue when traveling to or from Interstate 5, (b) Harbor Drive via 32nd Street when traveling to or from Interstate 15, and (c) 10<sup>th</sup> Avenue when traveling from Highway 163, and 11<sup>th</sup> Avenue when traveling to Highway 163. Developer shall cause operators of such vehicles to be instructed not to travel through the Barrio Logan Neighborhood or utilize Cesar Chavez Parkway.
- **3.3.4** Truck Idling. Developer shall ensure that trucks on or near the Site for purposes of construction of the Project comply with the California Air Resources Board's heavy-duty diesel idling control measure regarding truck idling.
- **3.3.5 Dust Mitigation Measures.** Developer shall ensure that the following dust mitigation measures are taken in all on-Site construction:
  - **3.3.5.1** wheel washes for all trucks exiting the Site;
  - **3.3.5.2** covering of all trucks transporting soil to or from the Site;
  - **3.3.5.3** all stockpiles of soil will be covered; and
- **3.3.5.4** runoff protection will be provided, either through use of berms and sumps to hold runoff water, through use of grading, or through implementation of other BMPs.
- **3.3.6** Public Complaint Process. Developer shall establish a public complaint process, and shall maintain written records of complaints, investigations, and responsive actions taken, all of which shall be made available to ACCORD upon request.
- 3.4 Pollution Prevention and Integrated Pest Management Plans. Developer shall comply with those obligations imposed upon the Padres L.P. under the Pollution Prevention Plan and Integrated Pest Management Plan attached hereto as Attachment B, with respect to the Project. For purposes of this Agreement, references in such plans to "EHC" shall be deemed to mean ACCORD.

# 3.5 Design Elements.

- 3.5.1 Residential Window Location. Developer shall ensure that no openable residential windows are located on the south side of the Parcel D Podium that faces the railroad tracks.
- 3.5.2 Lighting. Developer shall ensure that the Project does not include exterior lighting or lighted signage above the Podium level, except for security or aircraft

lighting. Developer shall also endeavor to exclude exterior lighting and lighted signage within the Mid Zone.

- 3.5.3 Window Reflectivity. Developer shall make a good-faith effort to incorporate such bird-friendly standards such as window reflectivity into the Project as may be identified in a timely fashion and agreed to by the parties through the Implementation Committee, so long as such incorporation does not increase the maintenance costs or reduce the service life of the Project or any building components thereof.
- 3.6 Passive Infiltration. Developer shall exercise commercially reasonable efforts to develop and implement passive infiltration devices to minimize discharge of pollutants from the Project into the storm drain system, all in accordance with the Mitigation, Monitoring, and Reporting Program identified in the Addendum.
- 3.7 Stormwater Fees. Developer agrees not to oppose any measure that may be submitted to the voters for the purpose of imposing, generally, a stormwater fee or watershed management fee in the City of San Diego.

#### ARTICLE 4 EMPLOYMENT

- 4.1 Living Wages. This Section 4.1 shall apply to any Service Contract entered into, awarded, amended, renewed, or extended after the effective date of this Agreement. Compliance with this Section 4.1 is required during the term of the Service Contract. Service Contracts shall not be subdivided into two or more contracts that logically should be made a single transaction if the purpose of the subdividing is to avoid the requirements of this Section 4.1.
- **4.1.1 Exempt Contracts**. Contracts subject to federal or state law or regulations that preclude the applicability of this Section 4.1's requirements shall be exempt from such requirements.

# 4.1.2 Payment of Living Wage and Provision of Benefits.

- **4.1.2.1** Covered Employers shall pay Covered Employees a wage of no less than \$10.00 per hour if the Health Benefits Rate is paid, or no less than \$12.00 per hour if the Health Benefits Rate is not paid.
- **4.1.2.2** Beginning July 1, 2007, the hourly wage rates and Health Benefits Rate shall be upwardly adjusted each July 1 to reflect the change in the Consumer Price Index for All Urban Consumers for the San Diego-Carlsbad-San Marcos Metropolitan Statistical Area for the twelve-month period preceding December 31.
- **4.1.2.3** Covered Employers shall provide to each Covered Employee a minimum of ten compensated days off per year for sick leave, vacation, or personal necessity leave at the Covered Employee's request. Such days off shall vest as accrued. Part-time Covered Employees shall accrue such days at a rate proportional to full-time Covered Employees. Covered Employees shall be eligible to use accrued days off after the first six months of employment or consistent with employer policy, whichever is earlier. Paid holidays

that are provided under established employer policy shall not be counted toward the provision of the ten compensated days off.

**4.1.2.4** Covered Employers shall permit Covered Employees to take an additional ten uncompensated days off per year to be used for sick leave for the illness of the Covered Employee or a member of his or her immediate family, where the Covered Employee has exhausted all accrued compensated days off. This Section does not mandate the accrual from year to year of uncompensated days off.

#### 4.1.3 Enforcement.

- **4.1.3.1** Covered Employers agree that a Covered Employee claiming a violation of this Section 4.1 shall have the right to file an action against the employer in an appropriate court within one year after discovery of the alleged violation. If the court finds a violation of this Section 4.1, the court may award or order one or more of the following remedies to the employee:
- (1) For failure to pay the minimum wage required by this Section 4.1, the difference between the minimum wage required herein and the amount actually paid to the employee, plus interest;
- (2) For failure to pay the Health Benefits Rate, the difference between the Health Benefits Rate required by this Section 4.1 and the amount actually paid toward the Health Benefits Rate, plus interest;
- (3) For retaliation for exercise of any rights provided for under this Section 4.1, reinstatement, back pay, or any other relief that a court may deem appropriate;
- (4) For a willful violation of this Section 4.1, a court may award as a penalty up to treble the amount of monies to be paid as damages; and
- (5) The court may award reasonable attorney's fees and costs to an employee who prevails in any such private action and to an employer who so prevails if the employee's suit is found to be frivolous.
- **4.1.3.2** Covered Employers are prohibited from any retaliation against an employee who alleges non-compliance with this Section 4.1.
- **4.1.3.3** The parties intend that a violation of this Section 4.1 shall not be prosecuted as a misdemeanor, notwithstanding any other provision of the San Diego Municipal Code.
- **4.1.3.4** This Section 4.1 shall not be construed to limit an employee's right to bring legal or administrative action for a violation of any other laws concerning wages, hours, or other standards or rights, nor shall exhaustion of remedies under this Section 4.1 be a prerequisite to the assertion of any other such right.

- **4.1.4** Collective Bargaining Agreements. The provisions of this Section 4.1 may be superseded by a valid collective bargaining agreement if such supersession is specifically agreed to in writing by the parties to the collective bargaining agreement.
- 4.2 Access to Employment Opportunities. This Section 4.2 and Attachment C set forth steps the Developer and ACCORD shall take to promote employment of Targeted Applicants by employers within the Project. Targeted Applicants are Low-Income Local Residents, including Low-Income Local Residents who are participants in a Rehabilitated Ex-Offender Job Training Program. Developer shall exercise diligent, good-faith efforts to cause Employers (as defined in Attachment C attached hereto) to comply with the First Source Hiring Program described on Attachment C.
- 4.3 Space for Job Center. The Developer shall provide approximately 200 square feet of easily accessible space within the Project for rent-free use for operation of the First Source Referral System or the Job Notification Program. This Job Center will include a storefront, and the Developer shall provide basic office furniture, free of charge. The Developer may, at its cost and upon at least thirty (30) days' written notice to ACCORD, relocate the Job Center to another comparable location within the Project.
- 4.4 Responsible Contracting. Service Contractors shall be compliant with all applicable labor laws. An entity will not be selected as a Service Contractor and an existing Service Contractor's rights to operate shall be terminated if the Service Contractor has committed intentional violations of any labor law, as determined in a final order or decision of an agency or court of competent jurisdiction, and an entity will not be selected or its rights to operate may be terminated prior to such final order or decision if the Developer is presented with reasonable evidence that demonstrates, in the sole discretion of the Developer, that the Service Contractor has committed violations of labor law that are both intentional and serious.
- 4.5 Job Training Program. Developer shall fund \$1,500,000 to be used solely to pay for the costs of: (a) conducting classes to prepare Targeted Applicants to become preapprentices in the construction trades, and (b) providing support services for individuals taking such classes, or individuals who are identified by ACCORD or the First Source Referral System as reasonably likely to be employable within the Project with the assistance of such support services. After consultation with Developer through the Implementation Committee, ACCORD shall determine the proportion of funding between the classes and the support services described above. ACCORD shall propose an entity(ies) and/or program(s) through which such classes and support services shall be conducted, and Developer shall have the right to approve such entity(ies) and/or program(s), which approval shall not be unreasonably withheld. Developer shall not contribute any funds under this Section 4.5 unless and until Developer has given such approval. After Developer gives such approval, but in no event prior to October 1, 2006, Developer shall provide an advance payment of \$100,000. Thereafter, but in no event earlier than January 1, 2007, Developer shall provide remaining payments as necessary to fund the ongoing expenses of such classes and support services, as reasonably requested by ACCORD. Such remaining payments shall not be made more frequently than on a quarterly basis. ACCORD shall use best efforts to assist in coordinating individuals benefiting from such classes and support services with the First Source Referral System, to facilitate the hiring of such

individuals in jobs on-Site. Notwithstanding the foregoing or anything to the contrary in this Agreement, the programs administered under this Section 4.5 shall be subject to and governed by the terms and conditions of any applicable project labor agreement.

4.6 Construction Jobs. Developer shall endeavor to have twenty percent (20%) local participation in construction jobs on the Project, subject to the terms and conditions of any applicable project labor agreement.

# ARTICLE 5 AFFORDABLE HOUSING

- 5.1 Affordable Housing Project. Developer shall comply with its obligations set forth in the Affordable Housing Agreement. ACCORD agrees that the financing plan attached to the Affordable Housing Agreement is strictly the parties' estimate of the financing for the project contemplated thereby, and the parties to such agreement shall have the right to revise such plan without ACCORD's consent. Commencing upon full execution of this Agreement and continuing until the Affordable Housing Agreement is executed, Developer and ACCORD shall cooperate in an effort to reflect the following goals for the affordable housing project (the "Affordable Housing Project") that is to be constructed according to the Affordable Housing Agreement:
- **5.1.1** The developer (the "Affordable Housing Project Developer") of the Affordable Housing Project shall use diligent, good-faith efforts to maximize the amount of gross square footage of affordable housing units (the "Restricted Units") that are constructed within the Affordable Housing Project.
- **5.1.2** At least seventy-five percent (75%) of the Restricted Units within the two (2) buildings to be constructed at 16<sup>th</sup> and Market and 17<sup>th</sup> and Commercial Street (such buildings are referred to as the "Affordable Housing Buildings"), shall be either two-bedroom or three-bedroom units. The building at 15<sup>th</sup> & Commercial Street shall be devoted primarily to transitional housing and single room occupancy units, and will include space for a Village Child Development Center.
- **5.1.3** The average income of households renting the Restricted Units within the Affordable Housing Buildings shall be not greater than forty-seven percent (47%) of the Area Median Income.
- 5.1.4 The Affordable Housing Project Developer shall use commercially reasonable efforts to implement a financing plan that minimizes the sources of funding for the Affordable Housing Project that are from or administered by local agencies. If, however, the Project Developer is unable to finance such project without such local sources of funding, despite its commercially reasonable efforts, and such failure could hinder Developer's reasonable, estimated timeframe for construction on Parcels C1, C3 or C4 to commence and be completed, Project Developer shall have the right to apply for and utilize such local sources of funding.

- **5.1.5** During the term of this Agreement, the Affordable Housing Project Developer shall use commercially reasonable efforts to rent Restricted Units according to the following priorities:
- **5.1.5.1** At least ten percent (10%) of the Restricted Units shall be targeted toward individuals, or households with at least one (1) individual, who have worked within downtown San Diego for at least one (1) year before the date of such individual or household's application to rent a Restricted Unit;
- 5.1.5.2 At least sixty percent (60%) of the Restricted Units shall be targeted toward local residents of the Neighboring Communities. Notwithstanding the foregoing, no more than twenty percent (20%) of the Restricted Units may be rented to individuals, or households with at least one (1) individual, who, immediately prior to applying for a Restricted Unit, were residents within the area of San Diego which has a 92101 zip code. In addition, at least forty percent (40%) of the Restricted Units shall be rented to local residents of the Neighboring Communities. For purposes of determining compliance with this Section, individuals who satisfy more than one category may be counted toward either category, as Affordable Housing Project Developer determines in its reasonable discretion; and
- **5.1.5.3** The remaining thirty percent (30%) of the Restricted Units may be rented as the Project Developer desires, subject to the Affordable Housing Agreement and applicable law.
- **5.1.6 Programmatic Requirements.** The parties agree that, notwithstanding the foregoing priorities, all applicants for Restricted Units must meet all programmatic requirements of funding sources for the Affordable Housing Project and such other reasonable requirements as the Affordable Housing Project Developer imposes upon applicants.
- 5.2 Other Affordable Housing. In addition to Developer's funding required under the Affordable Housing Agreement, Developer shall contribute \$1,500,000 toward the construction of an affordable housing project (the "Other Affordable Housing Project") that is mutually selected by Developer and ACCORD, provided that such project must in any event: (a) be within the Neighboring Communities; (b) include both for-rent and for-sale affordable housing elements; (c) include affordable housing designated for seniors; and (d) result in the completion of new affordable housing units at the earliest feasible date. Furthermore, Developer's contributed funds may not be used toward any market-rate units. Developer shall fund such amount when reasonably requested by the developer of the Other Affordable Housing Project but not, in any event, earlier than July 1, 2007. If, for any reason, such funds cannot be used for the Other Affordable Housing Project, such funds shall be redesignated for other affordable housing purposes by the Implementation Committee.
- **5.3** Application To A Foundation. An appropriate entity or entities, as reasonably agreed upon by the parties, shall apply to a foundation for the maximum grant of funds given by such foundation to be used toward the construction of the Other Affordable Housing Project. Provided this Agreement does not terminate by October 18, 2005, pursuant to Section 9.6 below, such application shall be made as soon as appropriate.

**5.4 Fundraising.** Developer shall coordinate with ACCORD to develop a fundraising appeal for the Other Affordable Housing Project. ACCORD acknowledges that Developer makes no representations or warranties regarding how much or whether any funds will actually be raised by such efforts.

### ARTICLE 6 COMMUNITY NEEDS

- 6.1 Funding for Economic Impact Study. Developer shall contribute \$100,000 to be used solely for a professionally-prepared study that will (1) study the effects of new construction and rising land values in downtown San Diego on the Neighboring Communities, and (2) recommend specific policy measures to encourage investment as well as protect longterm, Low-Income Local Residents from displacement. Such study shall include at least two (2) public presentations within the Neighboring Communities, and, if requested by Developer, one additional presentation to the City Council, to explain the study's findings. Developer shall have the right to approve the forum, format, and advertising of such presentations, which approval shall not be unreasonably withheld. After Developer gives its approval, but in no event prior to January 1, 2007, Developer shall contribute funds under this Section 6.1 upon ACCORD's request. ACCORD shall select the entity who conducts the study, but Developer shall have the right to approve such entity, which approval shall not be unreasonably withheld. ACCORD shall ensure that the study is commenced as soon as reasonably possible and is diligently, continuously prosecuted to completion. ACCORD shall deliver a copy of such study to Developer as soon as it is complete and in any event before it is distributed to any persons or entities other than ACCORD and its Member Organizations.
- 6.2 Funding for Arts, Youth, and Culture. Developer shall contribute \$50,000 to the City's Commission for Arts and Culture, to be used only for funding of arts, youth, and culture services in the Neighboring Communities. Developer shall contribute such amount upon ACCORD's request but in any event not earlier than January 1, 2008. ACCORD shall use its best efforts to ensure that such funds are used only for the purposes specified in this Section 6.2. Developer's contribution under this Section shall be in addition to any expenditures Developer makes in satisfaction of San Diego Municipal Code, section 26.0706(a) (arts funding requirement). In making such expenditures, Developer shall make a good faith effort to utilize local artists.
- 6.3 Grocery Store. Developer shall use diligent, good-faith efforts to cause the leasing of the space (the "Grocery Store Space") within the Project intended for the purpose of a grocery store to either Gelson's, Andronico's or Draeger's, or other operators subsequently identified by ACCORD and reasonably acceptable to Developer, on market-rate terms and conditions. If Developer is unable to obtain a binding commitment from any of such entities by July 1, 2006, Developer shall use its diligent, good-faith efforts toward causing the lease of the Grocery Store Space on market-rate terms and conditions to another high-end grocery store chain with stores generally between 25,000 to 50,000 square feet selected by Developer in its sole and absolute discretion, and whose employees in other locations are unionized. If Developer is unable to obtain a binding commitment from the type of grocery store described in the preceding sentence by January 1, 2007, Developer may elect to cause the lease of such space to any highend grocery store or for any other use, whether or not the employees of such entity are unionized.

If the lease for the Grocery Store Space is signed by a grocer whose employees are union at other locations, the Developer shall include in its transactional documents with such grocer the provisions of subparagraphs (b), (c), (d), (e) and (f) of Paragraph 4 of the agreement between the Developer and CPI concerning labor standards for certain employees at the Project, unless such grocer is subject to and governed by the terms and conditions of a card check and neutrality agreement that is applicable to its employees at the Project.

- 6.4 Marine Terminal and Railroad Effects Easement and Disclosure. On or before the date that is sixty (60) days after the Agency's approval of the OPA and the Master Plan, Developer shall grant and cause the recordation of the easement attached hereto as Attachment D. Developer shall negotiate diligently and in good-faith with the City and/or the Port of San Diego for the purpose of causing the City and/or the Port of San Diego to act as named grantees under such easement. Developer shall also deliver to all residential homeowners within the Project a copy of the disclosure attached hereto as Attachment E.
- 6.5 Security of Site During Construction. Developer shall use commercially reasonable efforts to secure and control access to the Site, or the portions thereof, upon which construction is occurring.
- 6.6 Support of Port Operations. Developer agrees that the following position statement may be attributed to it: "The operations of the Port of San Diego and its working waterfront tenants are a linchpin of economic prosperity in the San Diego region. It is in the best interests of the region to support a transparent and comprehensive effort to produce a regional plan for the preservation and expansion of a vigorous maritime port."

### ARTICLE 7 IMPLEMENTATION COMMITTEE

To assist with implementation of this Agreement, Developer will meet with ACCORD in a good faith, reasonable effort to develop strategies for implementation of the policies and programs set forth in this Agreement. The Developer and ACCORD shall establish a working group of representatives for this purpose, to be known as the Implementation Committee. Implementation Committee shall meet quarterly, or less frequently if mutually agreed by ACCORD and the Developer. At such meetings, any Member Organization or the Developer may raise issues related to implementation of this Agreement, in an effort to facilitate open dialogue, resolve implementation challenges, and advance the goals of both ACCORD and the Developer regarding this Project. All parties shall ensure that representatives attending Implementation Committee meetings are appropriate individuals for issues to be discussed, possessing relevant technical and policy expertise. Prior to requesting governmental approvals of design of buildings or components of the Project, Developer will provide such designs to ACCORD at an Implementation Committee meeting, to facilitate ACCORD's ability to make suggestions to Developer and/or at public hearings regarding such designs. Responsibility to participate in implementation committee meetings shall run only against entities that have current responsibilities under this Agreement or contracts referencing it.

#### ARTICLE 8 ACCORD SUPPORT OBLIGATIONS

In light of Developer's commitments set forth in this Agreement, ACCORD strongly supports the Project. Therefore, ACCORD will make the support efforts set forth in this Article 8.

- 8.1 Letters of Support. Each Member Organization shall send a letter in unqualified support of the Project to the City Council and any other governmental entity specified by Developer prior to the Agency's first public hearing considering the OPA. Thereafter, if requested by Developer within two (2) years after the date of this Agreement, each Member Organization shall send a letter in support of other Project Approvals to the City Council and any other governmental entity specified by Developer.
- 8.2 Hearing Attendance. Each Member Organization shall send at least one representative knowledgeable about the Project to speak in unqualified support of the Project at the Agency's first public hearing considering the OPA. Thereafter, each Member Organization shall send at least one representative knowledgeable about the Project to speak at all public hearings on Project Approvals, if requested by Developer with at least five days' notice and if such hearings occur within two (2) years after the effective date of this Agreement. ACCORD shall encourage attendance by individuals who are interested in or affected by the Project, such as area workers and residents.
- **8.3 Media Availability.** ACCORD shall work with the Developer to prepare a collaborative media strategy regarding shared support for the Project.

# 8.4 Covenant Not To Sue or Testify.

- **8.4.1 Covenant.** Each Member Organization and ACCORD covenant not to sue, challenge, or contest, administratively, judicially or publicly, any of the Project Approvals. Furthermore, each Member Organization and ACCORD agree not to pursue judicial challenges to, or testify in opposition at any public hearings (or any continuations of hearings) concerning any of the Project Approvals.
- **8.4.2 Permissible Public Comments.** Notwithstanding Section 8.4.1, above, ACCORD and each Member Organization retain the right to make public comments regarding Project Approvals suggesting changes in aspects of the documents and approval terms being considered, so long as such comments are consistent with the letter and spirit of the provisions of this Agreement. ACCORD and each Member Organization agree that before making such public comments, they shall use its best efforts to address the issues in question with Developer at Implementation Committee meetings.

# **ARTICLE 9 MISCELLANEOUS**

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

- **9.2** Severability. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall continue in full force and effect.
- 9.3 Binding on Successors. This Agreement shall be binding upon and inure to the benefit of ACCORD, Member Organizations, ACCORD's Successors, and Successors to any Successors of ACCORD. This Agreement shall be binding upon and inure to the benefit of Developer, Developer's Successors, and Successors to any Successors of Developer, except as set forth in Attachment F hereto. Developer's Successors include, but are not limited to, any party who obtains an Interest, vertical developers, retail developers, contractors, management companies, and owners' or retail merchants' associations participating in the Project. Upon conveyance of an Interest to an entity in compliance with Section 9.4, ACCORD may enforce the obligations under this Agreement with respect to that Interest only against such entity, and neither Developer nor any owner of a different Interest shall be liable for any breach of such obligations by such entity or its Successors. Except as otherwise indicated in this Section 9.3, references in this Agreement to a party shall be deemed to apply to any successor in interest, transferee, assign, agent, representative, of that party.
- 9.4 Purchase and Assumption Agreements. Developer shall not execute any deed conveying an Interest in the entirety or any portion of the Site, unless (i) Developer and the entity receiving such Interest have executed a purchase agreement governing conveyance of that Interest, (ii) that purchase agreement requires, through a recorded agreement, the transferee to assume the obligations that flow to it under this Agreement as a Successor of Developer, and (iii) such recorded agreement includes this Agreement as a material term, binding on the entity receiving the Interest and enforceable by ACCORD and Member Organizations as intended third party beneficiaries. Prior to the execution by any party of any purchase agreement or agreement to be recorded regarding the assumption of Developer's obligations, Developer shall deliver to ACCORD a copy of each such agreement. Developer and ACCORD shall meet and confer regarding such agreements through the Implementation Committee to confirm how Developer shall cause such assumption of Developer's obligations by the transferee to ensure that this Agreement is implemented as intended. Upon execution of any such agreements, Developer shall deliver an executed copy thereof to ACCORD.

### 9.5 Remedies.

- **9.5.1 Default.** Failure by any party to perform or comply with any term or provision of this Agreement, if not cured, shall constitute a default under this Agreement.
- 9.5.2 Sixty-Day Right to Cure. If either party believes that the other party is in default of this Agreement, it shall provide written notice to the allegedly defaulting party of the alleged default; offer to meet and confer in a good-faith effort to resolve the issue; and, except where a delay may cause irreparable injury, provide sixty (60) days to cure the alleged default, commencing at the time of the notice. Any notice given pursuant to this provision shall specify the nature of the alleged default, and, where appropriate, the manner in which the alleged default may be cured.

- **9.5.3** Implementation Meetings and Mediation. Before or during the sixty-day right-to-cure period described above, the parties may attempt to resolve any alleged default at the regularly scheduled implementation meetings, or in mediation requested by either party.
- **9.5.4 Remedies.** In the event that another party is allegedly in default under this Agreement, then a party alleging default may elect, in its sole and absolute discretion, to waive the default or to pursue remedies as described in this section. Such remedies may be pursued only after exhaustion of the sixty-day right to cure period described above, except where an alleged default may result in irreparable injury, in which case the non-defaulting party may immediately pursue the remedies described in this Section 9.5.4.
- 9.5.4.1 Binding Arbitration. A party may pursue binding arbitration to enforce any term of this Agreement that has allegedly been breached. A party may seek arbitration relief ordering, and the arbitrator shall have the power to order, affirmative equitable and/or affirmative injunctive relief, temporary or permanent, requiring a defaulting party to comply with this Agreement. The parties hereto agree that monetary damages would be an inadequate remedy for any breach of this Agreement. With the exception of an order by the arbitrator to a party to pay sums it has agreed to pay under this Agreement, monetary damages shall in no circumstances be available as a remedy for default of this Agreement. Arbitration shall be conducted in San Diego, California, under the rules of the American Arbitration Association (the "Rules"). Each party shall bear its own fees and other costs, except where a party is found by final judgment of the arbitrator to have been in default of this Agreement, in which case the prevailing party shall be entitled to attorneys fees and arbitration costs from the defaulting party.
- 9.5.4.2 Equitable Relief in Case of Irreparable Injury. In addition to any right under the Rules to petition a court for provisional relief, if a party believes that another party is or will be in default of this Agreement in such a manner that may cause irreparable injury, that party shall be entitled to institute legal proceedings to enforce the specific performance of this Agreement by that other party and to enjoin that other party from violation of this Agreement, and to exercise such remedies cumulatively or in conjunction with all other rights and remedies provided by law or by this Agreement.
- **9.5.4.3 Attorney's Fees in Case of Court Action.** If a party takes court action against a defaulting party, either to enforce an arbitrator's judgment or order, or under Section 9.5.4.2 above, then that party shall be entitled to attorneys fees and arbitration costs from the defaulting party.
- 9.6 Term. This Agreement shall become effective on the date of mutual execution of this Agreement and shall terminate twenty years from such date. All commitments of the parties described herein are effective upon the effective date of this Agreement, unless otherwise specified. Notwithstanding the foregoing or anything to the contrary in this Agreement, if, either: (1) the Agency does not approve a resolution or resolutions adopting the OPA and certifying the Addendum, on or before October 18, 2005, and/or (2) during the Agency's consideration of the OPA on or before October 18, 2005, the Agency materially increases Developer's obligations or materially decreases Developer's rights as set forth in the OPA, the

Master Plan, or any documents contemplated thereby, this Agreement shall terminate, at Developer's election given by written notice to ACCORD, on the date that is five (5) days after the date of Developer's notice. If during such consideration, the Agency attempts or proposes any action that would materially increase Developer's obligations or materially decrease Developer's rights as set forth in the OPA, the Master Plan, or any documents contemplated thereby, Donald Cohen, on behalf of ACCORD, and Charles Black, on behalf of Developer, shall jointly approach the microphone to object to such attempt or proposal and to inform the Agency that this Agreement shall terminate if any such action is taken.

- 9.7 Implementation Through Relevant Contracts. Where this Agreement requires the Developer to impose responsibilities on entities that are not parties to this Agreement, the Developer shall ensure that relevant contracts: (i) impose such responsibilities on such parties; (ii) require such parties to impose such responsibilities on subcontractors or other parties involved in the Project through the contract in question; (iii) require all parties with such responsibilities to provide to ACCORD upon request any information reasonably necessary to determine compliance with such responsibilities, provided that ACCORD shall not request the same or similar records or information more often than once per quarter; (iv) state with regard to such responsibilities imposed on any party that ACCORD is an intended third party beneficiary with enforcement rights; and (v) include any other provisions necessary to ensure application and enforceability by ACCORD. Any party that imposes an obligation required by this Agreement on another party shall, in event of failure by that other party to comply with such obligation, enforce that obligation against that other party or terminate the contract in question.
- 9.8 Assurance Regarding Preexisting Contracts. Developer warrants and represents that as of the effective date of this Agreement, it has executed no contract that would have violated Section 4.2, Section 9.3, Section 9.4, or Section 9.7 of this Agreement had it been executed after the effective date of this Agreement.
- 9.9 Compliance Information. Upon request from a party, another party hereto shall provide any records or information reasonably necessary to monitor compliance with the terms of this Agreement. No party shall request the same or similar records or information more often than once per quarter, except to the extent that the nature of the obligation being monitored requires more frequent reporting, as reasonably agreed upon by the parties.
- 9.10 Responsibilities of ACCORD Member Rights and Organizations. Notwithstanding anything to the contrary in Section 9.3, when this Agreement sets out a responsibility of a "Member Organization" then each Member Organization must satisfy that responsibility, and that responsibility may be enforced by Developer against each Member Organization individually; and when this Agreement sets out a responsibility solely of "ACCORD," then that responsibility is satisfied for all Member Organizations when any Member Organization satisfies that responsibility. Notwithstanding the foregoing, if any individual Member Organization directly receives funds from Developer under this Agreement, Developer may enforce the obligations within this Agreement related to such funding directly against such Member Organization. Any Member Organization may enforce the responsibilities of Developer under this Agreement, and each Member Organization possesses the rights of ACCORD under this Agreement.

- 9.11 Hotel. Developer represents to ACCORD that it has no intention of developing a hotel as part of the Project. Accordingly, during the Agency's initial hearing considering the OPA, Developer shall request that the ability to construct a hotel under the Master Plan be deleted. If, for any reason, the Agency declines to approve such deletion and Developer or its successors thereafter desire to develop a hotel as part of the Project, Developer or such successor shall pursue entitlements for such hotel as if the Master Plan did not permit such use. If during the Agency's initial hearing considering the OPA, the Agency declines to approve such deletion. Donald Cohen, on behalf of ACCORD, and Charles Black, on behalf of Developer, shall jointly approach the microphone to state their support of the deletion.
- 9.12 Waiver. The waiver by any party of any provision or term of this Agreement shall not be deemed a waiver of any other provision or term of this Agreement. The mere passage of time, or failure to act upon a breach, shall not be deemed a waiver of any provision or term of this Agreement.

# 9.13 Intentionally Omitted.

- **9.14 Construction**. Each of the parties has had the opportunity to be advised by counsel with regard to this Agreement. Accordingly, this Agreement shall not be strictly construed against any party, and any rule of construction that any ambiguities be resolved against the drafting party shall not apply to this Agreement.
- 9.15 Entire Agreement. The Agreement contains the entire agreement between the parties and supersedes any prior agreements, whether written or oral, except those executed concurrently with this Agreement. Concurrent execution is defined as execution within five business days. This Agreement may not be altered, amended or modified except by an instrument in writing signed by the parties hereto.
- **9.16** Correspondence. All correspondence shall be in writing and shall be addressed to the affected parties at the addresses set forth below. A party may change its address by giving notice in compliance with this Section 9.16. The addresses of the parties are:

# If to Developer:

Ballpark Village LLC 12680 High Bluff Drive, Suite 200 San Diego, CA 92130 Attention: Mr. Charles E. Black

With a copy to:

Lennar Homes of California, Inc. 701 B Street, Suite 1400 San Diego, CA 92101 Attention: Mr. Larry Clemens

## If to ACCORD:

Donald Cohen Center on Policy Initiatives 3727 Camino del Rio South San Diego, CA 92108

ACCORD hereby appoints Donald Cohen as its representative to speak and correspond with Developer on ACCORD's behalf. Developer may rely on statements made and approvals or comments given by Donald Cohen pursuant to this Agreement as constituting the agreement of ACCORD regarding such issue. ACCORD may appoint another representative by written notice to Developer.

- **9.17 Authority of Signatories.** The individuals executing this Agreement represent and warrant that they have the authority to sign on behalf of their respective parties.
- 9.18 Counterparts. This Agreement may be executed in two or more counterparts, each of which may be deemed an original, but all of which shall constitute one and the same document.
- **9.19 Further Assurances.** The parties hereto agree to take such actions and execute such additional documents as are reasonably necessary to carry out the provisions of this Agreement.

# DEVELOPER SIGNATURE PAGE

BALLPARK VILLAGE LLC, a Delaware limited liability company

Lennar Homes of California, Inc., California corporation By:

JMIR-Ballpark Village LLC, By:

a Delaware limited liability company

By: JMIR Project Manager, LLC a Delaware limited liability

company

Its: \_

CENTER ON POLICY INITIATIVES,
a nonprofit corporation
By: P261136MT
By: 2/1 C.
Its: PREJIDENT
THE SAN DIEGO ORGANIZING PROJECT,
a nonprofit corporation
By: John Handen.
By: John Hender Its: Bd. Member
THE SAN DIEGO AUDUBON SOCIETY,
a nonprofit corporation
a nonprotit corporation
$R_{V^{\star}}$
By: Its:
AU.
THE METROPOLITAN AREA ADVISORY
COMMITTEE ON ANTI-POVERTY OF SAN
DIEGO COUNTY,
a nonprofit corporation
a nonprotation
$R_{V'}$
By:
Its:
THE UNITED AFRICAN AMERICAN
MINISTERIAL ACTION COUNCIL,
a nonprofit corporation
a nonprofit corporation
R <sub>v</sub> .
By:
Its:

CENTER ON POLICY INITIATIVES, a nonprofit corporation
By: Its:
THE SAN DIEGO ORGANIZING PROJECT, a nonprofit corporation  By: Jh. Haber  Its: Rd. Member
THE SAN DIEGO AUDUBON SOCIETY, a nonprofit corporation  By: James C. Eugh Is: Conservation County tree Chair
THE METROPOLITAN AREA ADVISORY COMMITTEE ON ANTI-POVERTY OF SAN DIEGO COUNTY, a nonprofit corporation
By: Its:
THE UNITED AFRICAN AMERICAN MINISTERIAL ACTION COUNCIL, a nonprofit corporation
By: Its:

CENTER ON POLICY INITIATIVES, a nonprofit corporation
By:
THE SAN DIEGO ORGANIZING PROJECT, a nonprofit corporation  By: John Handler  Its: Resuren Bd. Member
THE SAN DIEGO AUDUBON SOCIETY, a nonprofit corporation  By: Admas Committee Chair  Its: Consenation Committee Chair
THE METROPOLITAN AREA ADVISORY COMMITTEE ON ANTI-POVERTY OF SAN DIEGO COUNTY, a nonprofit corporation  By: Reze Celdull Its: SENIOR VILE PRESIDENT
THE UNITED AFRICAN AMERICAN MINISTERIAL ACTION COUNCIL, a nonprofit corporation
By: Its:

CENTER ON POLICY INITIATIVES,
a nonprofit corporation
Ву:
Its:
THE SAN DIEGO ORGANIZING PROJECT,
a nonprofit corporation
D <sub>V</sub> ,
By: Its:
THE SAN DIEGO AUDUBON SOCIETY,
a nonprofit corporation
By:
Its:
THE METROPOLITAN AREA ADVISORY COMMITTEE ON ANTI-POVERTY OF SAN
DIEGO COUNTY,
a nonprofit corporation
Dxn
By: Its:
THE UNITED AFRICAN AMERICAN
MINISTERIAL ACTION COUNCIL,
a nonprofit corporation
By Le la
Its: //s.sidsut / So
<del></del>
·

a nonprofit corporation
By ruan M / Squold
Its: Executive Director
AFFORDABLE HOUSING COALITION OF
SAN DIEGO COUNTY,
a nonprofit corporation
- Di La Lancia
By: Hichard Townence
Its: <u>Co-Chair</u>
THE SAN DIEGO-IMPERIAL COUNTIES
LABOR COUNCIL,
a labor organization
A Labor Organization
By: May (July)
Its: Axecutive Director
113, ARECOPIUS ON COL
113; AREBITOL ON CO.
THE SAN DIEGO BUILDING AND
THE SAN DIEGO BUILDING AND CONSTRUCTION TRADES COUNCIL,
THE SAN DIEGO BUILDING AND
THE SAN DIEGO BUILDING AND CONSTRUCTION TRADES COUNCIL, a labor organization
THE SAN DIEGO BUILDING AND CONSTRUCTION TRADES COUNCIL, a labor organization  By: Mustan Market and
THE SAN DIEGO BUILDING AND CONSTRUCTION TRADES COUNCIL, a labor organization
THE SAN DIEGO BUILDING AND CONSTRUCTION TRADES COUNCIL, a labor organization  By: Mustan Market and
THE SAN DIEGO BUILDING AND CONSTRUCTION TRADES COUNCIL, a labor organization  By: Mus will find the lits: By. My
THE SAN DIEGO BUILDING AND CONSTRUCTION TRADES COUNCIL, a labor organization  By: Mustan Market and
THE SAN DIEGO BUILDING AND CONSTRUCTION TRADES COUNCIL, a labor organization  By:   By:   Its:   By:
THE SAN DIEGO BUILDING AND CONSTRUCTION TRADES COUNCIL, a labor organization  By: Its:  SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 2028,
THE SAN DIEGO BUILDING AND CONSTRUCTION TRADES COUNCIL, a labor organization  By: May May May Service EMPLOYEES INTERNATIONAL UNION, LOCAL 2028, a labor union  By: May Quille
THE SAN DIEGO BUILDING AND CONSTRUCTION TRADES COUNCIL, a labor organization  By: Justin August Service Employees International Union, Local 2028, a labor union

a nonprofit corporation
By:
AFFORDABLE HOUSING COALITION OF SAN DIEGO COUNTY, a nonprofit corporation
By:
THE SAN DIEGO-IMPERIAL COUNTIES LABOR COUNCIL, a labor organization  By: Butkiewy Its: Boccetary-Treaduce
THE SAN DIEGO BUILDING AND CONSTRUCTION TRADES COUNCIL, a labor organization
By:
SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 2028, a labor union
By:

INTERNATIONAL UNION OF PAINTERS AND ALLIED TRADES, DISTRICT COUNCIL 36,
a labor union
By: Jan / Janch Lat Its: Bus men Kupmachan
SHEET METAL WORKERS, LOCAL 206, a labor union
D
By:
Its. The sines & Marian
SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 1877, a labor union  By: The Diego Director  ACORN, a nonprofit corporation  By: Its: Head Organizer / Sun Diego Prior text

# **Hazardous Substance Remediation**

**1. Remediation of Hazardous Substances.** Capitalized terms used in this Attachment A but not defined in the Agreement are defined at the end of this Attachment.

### 1.1 Incineration.

- **1.1.1** Remediation of Hazardous Substances on the Site will not utilize on-site thermal desorption or any other form of on-site incineration.
- 1.1.2 For purposes of the remediation described in section 1.1.1 above, trucks transporting contaminated soil will be covered and will be staged, to the extent Feasible, to minimize idling and diesel exhaust. No contaminated soils from any SDG&E Property will be shipped to treatment facilities in urban neighborhoods. Except as provided in sections 1.1.1 and 1.1.2, nothing in this Agreement will affect SDG&E's obligations with respect to SDG&E's remediation activities in the East Village Redevelopment Area.
- 1.1.3 Remediation of Hazardous Substances on property performed or caused to be performed by Developer, will not utilize on-site thermal desorption or any other form of on-site incineration.
- 1.2 In addition to the requirements of the Master Work Plan, Developer will perform the following air quality measures in connection with the remediation of Hazardous Substances:
- **1.2.1** ACCORD will be given an opportunity to comment upon the monitoring plan developed for purposes of this Attachment A.
- 1.2.2 VOC levels will be monitored with a PID throughout the course of the remediation as specified in the health and safety plan.
- 1.3 In addition to the Master Work Plan, Developer will perform the following soil management measures in connection with the remediation of Hazardous Substances:
- 1.3.1 Developer will minimize stockpiling of contaminated soil within the Ballpark District;
- **1.3.2** All stockpiles of contaminated soil must have a concrete or visquene base and visquene cover;
- 1.3.3 Runoff protection will be provided for cleanup sites through use of berms and sumps to hold runoff water or through use of grading;
- 1.3.4 The Site Safety Manager (referred to in the Master Work Plan) will have the authority to stop work, if necessary, as a result of any serious nuisance impacts that may be related to remediation of known (or discovery of unknown) contamination within the site;

- **1.3.5** The Site Safety Manager will refer complaints to the appropriate oversight agency; and
- **1.3.6** No contaminated soils will be shipped to treatment facilities operated by licensees with adverse compliance histories.
- 1.4 In addition to the Master Work Plan, Developer will utilize the following public processes with respect to remediation of Hazardous Substances.
  - **1.4.1** Developer will prepare a flier (notice document) that will:
- **1.4.1.1** Describe the possible impacts that might result from the remediation effort;
  - **1.4.1.2** Describe the safety plan for dealing with those impacts;
  - **1.4.1.3** Outline the schedule for proposed activities; and
- **1.4.1.4** Provide a hotline number and a contact person, should any member of the public have questions or complaints.
- 1.4.2 Developer will distribute this flier by hand delivery to all residences and businesses within an area bounded by 4th Street (west) and the Freeway (east) and from Commercial (south) to Market Street (north) two weeks prior to the beginning of demolition.
- 1.4.3 Developer will also distribute the flier to the media and to certain downtown residents' groups and associations to be agreed upon at a later date by Developer and ACCORD. Developer will also post the information contained in the flier on its web page.
- 1.4.4 Developer will organize a community meeting to describe and discuss the issues addressed in the flier (described above in section 1.4.1 above) prior to the onset of remediation activities and will widely advertise the time and place of the meeting.
- 1.4.5 Developer will establish a process for response to community complaints, including work cessation, additional monitoring and evaluation and implementation of control equipment as needed. ACCORD will be given an opportunity to comment on the process for response to community complaints prior to the start of clean-ups.
- **1.4.5.1** Developer will keep a log of comments, questions or complaints received from the hotline (or in the mail).
- 1.4.5.2 Developer will prepare and distribute a monthly report summarizing those comments or complaints in a generic form indicating the basis of the complaint, the date the complaint was received, and an identification of the source of the

complaint (i.e., a resident individual, an organization, or a government entity). This report will be mailed to ACCORD, as well as any other organization that Developer may determine. Developer will provide copies of the comments, questions and complaints log referenced in the previous sentence to ACCORD upon request.

# **Definitions:**

"Feasible" means capable of being done, effected or accomplished in a successful manner, as reasonably determined by the Developer with respect to the Project and Developer with respect to remediation of Hazardous Substances, in light of the project objectives, available technology, cost and other factors.

"Hazardous Substances" will have the meaning given that term in the Master Work Plan.

"Master Work Plan" means the Master Work Plan/Portion of the East Village Redevelopment Area Environmental Remediation, Final Version August 19, 1999 (Project Number: 96E1456.8).

# A BALLPARK FOR SAN DIEGO POLLUTION PREVENTION PLAN

# I. Purpose

The San Diego Padres finds and declares that it shall be the policy of its Ballpark Facility Management ("BFM") and all other departments under the employment or jurisdiction of the Padres to reduce or eliminate the use of pesticides, fertilizers, cleaners, and other toxic and hazardous materials used in connection with the Ballpark by implementing this Pollution Prevention Plan").

### II. Definitions

- A. Whenever used in this policy, the following terms shall have the meanings set forth below:
- B. "Ancillary Development Projects" means the series of individual developments to be implemented around the Ballpark with uses to include office/commercial, professional office, research and development, retail, hotels and residential. The Ancillary Development Project area is more particularly described in the FEIR.
- C. "Ballpark" means the Ballpark Structure, Ballpark Plazas and the Outfield Park and will exclude (i) all mixed-use, retail and office development adjacent to the Outfield Park and (ii) all Ancillary Development Projects within the Ballpark District.
- D. "Ballpark District" means the area established by the Memorandum of Understanding among the City, RDA, CCDC and Padres which is generally within the boundaries of Centre City East, south of Market Street.
- E. "Ballpark Plazas" means the area between the Ballpark Structure and the curb line of the adjacent public street.
- F. "Ballpark Structure" means the seating bowl and appurtenant structures of the proposed Ballpark Project.
  - G. "City" means City of San Diego.
  - H. "EHC" means the Environmental Health Coalition.
- I. "Feasible" means capable of being done, effected or accomplished in a successful manner, as reasonably determined by the Padres, in light of project objectives, available technology, cost and other factors. The project objectives with respect to the Ballpark are the standards prevailing in major league baseball for quality and performance of the playing fields and public health concerns which relate to the cleanliness of the Ballpark.

- J. "Integrated Pest Management" means a pest management method that combines biological, cultural, physical, and chemical methods and tools to minimize health, environmental and financial risks. The method uses extensive knowledge about pests, such as infestation thresholds, life histories, environmental requirements and natural enemies to complement and facilitate biological and other natural control of pests. The method uses the least toxic pesticides only as a last resort to controlling pests.
- K. "Mixed-Use Retail Project" means the mixed-use retail and office development set around the Outfield Park on Seventh Avenue, J Street and Tenth Avenue.
- L. "Opening Day" means the first day that the Ballpark is open for the public exhibition of a regular season Major League Baseball game.
  - M. "Organic Fertilizers" means fertilizers derived from plant or animal sources.
- N. "Outfield Park" means the park-like area set amidst, but not including, the Ballpark Structure and the Mixed-Use Retail Project.
  - O. "Padres" means the San Diego Padres also known as Padres L.P.
- P. "Pesticides" means economic poisons as regulated in Division 7 of the State of California Food and Agricultural Code.
- Q. "Pollution Prevention" means a pollution prevention method that reduces or eliminates hazardous and toxic materials utilized and stored at the Ballpark.
- R. "Toxicity Category I Pesticide" means any pesticide that meets the United States Environmental Protection Agency criteria for Toxicity Category I under Section 158.10 of Part 156 of Title 40 of the Code of Federal Regulations.

# III. Pest Control

- A. The Padres will utilize an Integrated Pest Management ("IPM") approach to pest control as described in the IPM Plan (Schedule 1).
- B. The IPM Plan will apply to all pest problems including insects, weeds, rodents, and plant diseases. It will be used by the Padres staff as well as any third party contractors.

# IV. Cleaning Products

A. Not less than one hundred twenty (120) days prior to Opening Day, the Padres will provide EHC with a written list of the cleaning products proposed for use at the Ballpark. Within thirty (30) days of its receipt of the list of proposed cleaning products, EHC will provide the Padres with its written approval or disapproval of each of the proposed cleaning products. Where a specific cleaning product is disapproved by EHC, EHC's response will state with specificity the reasons for such disapproval and suggest acceptable alternate cleaning products.

B. The Padres will use only those cleaning products approved by EHC. However, the cleaning product list may be modified by the Padres in the event that any cleaners on the approved list are not providing an acceptable level of cleanliness. EHC will be notified and given 30 days to comment upon any decision to use a cleaner which has not been approved.

### V. Fertilizers

- A. All fertilizers used in areas of the Ballpark except the playing field shall meet the standards of this Article V.
- B. Plants shall be fertilized only with slow-release, organic fertilizers. Organic fertilizers are believed to provide a greater margin for safety for not polluting nearby water sources, and are preferable from a life-cycle cost perspective.
  - C. No "weed and feed" fertilizers may be used.
- D. All fertilizer products chosen must have verification that they do not contain excessive levels of heavy metals as evidenced by any of the following conditions:
- 1. The concentrations of arsenic, lead, cadmium, chromium, mercury, and zinc, stated on the product label are no higher than background levels of these metals in soil in the San Diego region, or
- 2. The product label or manufacturer must supply a statement that the product contains no waste by-products or co-products.

#### SCHEDULE 1 TO

#### ATTACHMENT B

### INTEGRATED PEST MANAGEMENT PLAN

- I. Ban on Use of Toxicity Category I Pesticides.
- A. Effective Opening Day, the Padres or the Ballpark Facility Management ("BFM") shall not use any Toxicity Category I Pesticide, any pesticide containing a chemical identified by the State of California as a chemical known to the State to cause cancer or reproductive toxicity pursuant to the California Safe Drinking Water and Toxic Enforcement Act of 1986, and any pesticide classified as a human carcinogen, probable human carcinogen or possible human carcinogen by the United States Environmental Protection Agency, Office of Prevention, Pesticides and Toxic Substances.

### II. Notice of Pesticide Use.

- A. Within one hundred and twenty (120) days of the effective date of this Integrated Pest Management Plan, the Padres and its BFM shall comply with the following notification procedures before using any pesticides:
- 1. Signs shall be posted at least two days before application of the pesticide and remain posted at least two days after application of the pesticide.
- 2. Signs shall be posted (a) at every entry point where the pesticide is applied if the pesticide is applied in an enclosed area, and (b) in highly visible locations around the perimeter of the area where the pesticide is applied if the pesticide is applied in an open area.
- 3. Signs shall be of a standardized design that is easily recognizable to the public and workers.
- 4. Signs shall contain the name and active ingredient of the pesticide, the target pest, the date of the pesticide use, the signal work indicating the toxicity category of the pesticide, the date for re-entry to the area treated, and the name and contact number of BFM.
- 5. The Padres shall not be required to post signs in accordance with Paragraph II.A.2 in right-of-way locations that the general public does not use for recreational purposes.

# III. Development and Implementation of Integrated Pest Management (IPM) Plan

A. It shall be the plan, policy and practice of the Padres to provide long-term management of pests while minimizing pesticide use and other disruptive pest control treatments in an effort to promote environmental quality, public health and safety, to preserve the natural ecosystem and to reduce undesirable effects on non-target organisms,

while preserving the aesthetic quality of all landscaping within the perimeter of the Ballpark.

- B. The IPM plan will address policies and practices associated with the Ballpark including the playing field and all landscaped areas.
- C. In addition to balancing environmental quality, public health and safety, costs and benefits, it will also the be the purpose of the IPM plan to preserve the aesthetic quality of all landscaping within the Ballpark on an annual basis.
  - D. The IPM plan will include the following components:
- 1. Selection of appropriate plant materials to minimize the need for pesticide use including the selection of "non-host" plants for initial planting. Plantings, which require pesticide use, will be monitored and those plants, which require high levels of treatment, will be eliminated.
- 2. Design of planting conditions to optimize plant vigor and minimize need for pesticide use. Provision of adequate drainage to subgrade or storm drain. Replacement and specification of appropriate soils for plants where necessary. Selection of plant material appropriate for sun exposure, air circulation and root area as well as other conditions.
- 3. Use of plants adapted to local planting conditions to minimize use of pesticides and other chemicals. Specify species and cultivars of both native and introduced plants, which are well adapted to climate and environmental conditions of site.
- 4. Commercially reasonable efforts will be made to implement and monitor the most prudent agronomic practices including fertilization and irrigation management procedures.
- 5. In an effort to ensure all risks and alternatives are considered, an independent consultant with a minimum of three years experience in IPM plans will submit recommendations to the IPM plan for all pesticide uses including the identification of pests that are considered potential public health problems and the least toxic method of elimination or control and provide a review of acceptability and/or feasibility options to use of chemical pesticides prior to their use.
- 6. Pesticides will only be used when and where necessary with appropriate documentation. In the event that pest levels exceed injury levels, as defined in paragraph III(D)(10), the least toxic control mechanisms will be employed first. In addition, the cumulative pounds of active pesticide per square foot will be monitored with the goal of reducing pesticide usage pursuant to a pesticide reduction program. The pesticide reduction program described in the preceding sentence will require the Padres and EHC to meet and confer within sixty (60) days following each anniversary of Opening Day for the purpose of reviewing existing conditions at the Ballpark. Based on the parties' analysis of existing conditions, Padres and EHC will mutually set a goal of a percentage reduction in cumulative pounds of active pesticide per square foot as

compared to the cumulative pounds of active pesticide per square foot used in the operation of the Ballpark in the prior year.

- 7. Commercially reasonable efforts will be made by pesticide applicators to carry only pre-diluted ready-to-spray materials in an effort to reduce exposure to the public, employees and environment.
- 8. Public and employees will be notified through the compliance with the signage requirements of Section IIA.
  - 9. Pest population levels will be monitored on a regular basis.
- 10. Development and assessment of injury levels for pest populations. Assessment of the injury level for pest populations involves determining what is a tolerable or intolerable level of the pest population. The pest population becomes intolerable when it results in intolerable aesthetic, medical or economic damage.
- 11. Development and maintenance of pesticide use monitoring and documentation procedures.
  - 12. Development of a system to measure and evaluate success.
- 13. Education of employees and public about the health and environmental benefits of the IPM plan.

# IV Recordkeeping of Pesticide Applications

- A. The Padres' BFM when using pesticides shall keep records of each pesticide application. Each application record shall include the following information:
  - 1. The pesticide used.
  - 2. The site of the pesticide application.
  - 3. The date the pesticide was used.
  - 4. The name of the pesticide applicator.
  - 5. The application equipment used.
- B. Application records shall be provided to EHC quarterly for the first year after Opening Day, and upon request thereafter.

#### FIRST SOURCE HIRING PROGRAM

#### BALLPARK VILLAGE PROJECT

- Designation of Operator of First Source Referral System. 1. December 31, 2006, ACCORD has designated, and Developer has reasonably approved, a nonprofit corporation or government entity that is willing and able to operate the First Source Referral System, then the provisions of Sections 2 and 4, below shall apply from the date of designation forward. To qualify as "willing and able," a nonprofit corporation or government entity must commit to dedicating a staff member for at least twenty hours per week to operate the First Source Referral System. If by December 31, 2006, ACCORD has not designated a nonprofit corporation or government entity that is willing and able to operate the First Source Referral System and that has been approved by Developer, which approval shall not be unreasonably withheld, then the provisions of Section 3, "Job Notification Program," shall apply from that date forward. Contracts, lease agreements, and purchase agreements entered into by the Developer prior to either designation by ACCORD under this Section 1 or December 31, 2006, whichever is earlier shall include as a material term that compliance with this Attachment C will be required by employers specified herein.
- 2. First Source Hiring Program. Under the First Source Hiring Program, which takes effect only under the circumstances described in Section 1 above, the following will occur:
- 2.1 Employer Commitments. The Developer shall exercise diligent and good-faith efforts to cause all Employers to agree to abide by the First Source Hiring Program. For purposes of this Attachment C, the term "Employers" refers to Service Contractors, Developer (to the extent it provides Services), and any tenants operating a business within the Project, but excluding the employers excluded from the definition of "Covered Employers."
- 2.2 Responsibilities of First Source Referral System. The First Source Referral System will receive employer notification of job openings; coordinate with various job-training centers, social service agencies, community centers, churches, and schools within the Neighboring Communities to find qualified applicants from which to draw referrals; screen and refer Targeted Job Applicants according to qualifications and specific selection criteria submitted by employers; otherwise facilitate employment of Targeted Applicants within the Project; and assist in monitoring compliance with the First Source Hiring Program. The First Source Referral System shall refer Targeted Job Applicants to employers.
- 3. Job Notification Program. Under the Job Notification Program, which takes effect only under the circumstances described in Section 1 above, Developer shall

exercise diligent and good-faith efforts to cause each Employer to take the following steps to promote hiring of Targeted Applicants:

- (a) at least five business days prior to notification of the general public or recruiting by other means, post at the Job Center notification of all job openings within the Project, including necessary qualifications and application methods;
- (b) work cooperatively with advocates for Targeted Applicants to place such individuals in jobs within the Project; and
  - (c) make a good faith effort to hire Targeted Applicants.

#### 4. Hiring.

- **4.1** An Employer may at all times consider applicants referred or recruited through any source.
- **4.2** Prior to hiring for any on-Site job, an Employer will notify the First Source Referral System of available job openings and provide a description of job responsibilities and qualifications, including expectations, salary, work schedule, duration of employment, required standard of appearance, and any special requirements (e.g. language skills, drivers' license, etc.). Job qualifications shall be limited to skills directly related to performance of job duties.
- **4.3** When making initial hires for the commencement of an Employer's operations in the Project, Employers will hire only Targeted Applicants for a two-week period following the notification of job opportunities described in Section 4.2 above.
- **4.4** When making hires after the commencement of operations in the Project, an Employer will hire only Targeted Applicants for a five-day period following the notification of job opportunities.
- **4.5** During the periods described in Sections 4.3 and 4.4 above, Employers may hire Targeted Applicants recruited or referred through any source. During such periods Employers will use normal hiring practices, including interviews, to consider all applicants referred by the First Source Referral System.
- **4.6** After the periods described in Sections 4.3 and 4.4 above, Employers shall make good-faith efforts to hire Targeted Applicants, but may hire any applicant recruited or referred through any source.
- 4.7 Employers shall use commercially reasonable efforts to promptly inform the First Source Referral System once a job is filled, whether or not the Employer hired a Targeted Job Applicant for that position.
- 4.8 Goal. Any Employer who has filled more than 30% of jobs available during a particular six-month period with Targeted Applicants (whether referred

by the First Source Referral System or not), shall be deemed to be in compliance with this First Source Hiring Program for all hiring during that six-month period. Any Employer who has complied with remaining provisions of this First Source Hiring Program is in compliance with this First Source Hiring Program even it has not met this 30% goal during a particular six-month period.

5. Presentations to Tenants. Developer and ACCORD shall coordinate through the Implementation Committee to arrange face-to-face meetings between groups or organizations representing the interests of participants in the Rehabilitated Ex-Offender Job Training Program and business tenants within the Project (but excluding tenants that would be excluded from the definition of Covered Employers), for the purpose of discussion of such tenants' hiring policies and presentation of information to such tenants about the benefits of hiring from participants in the Rehabilitated Ex-Offender Job Training Program. Such meetings shall occur as soon as feasible after each tenant signs a lease. Developer shall ensure that all such leases require tenants to attend at least one such meeting, as arranged by Developer. Any such meetings may include more than one tenant, as Developer and tenants find appropriate.

Attachment D

#### MARINE TERMINAL AND RAIL EFFECTS EASEMENT

Recorded at the request of and mail to:

City of San Diego		
Attn:		
San Diego, CA 92101		
1-00001	 	_

FREE RECORDING REQUESTED IN ACCORDANCE

Space above this line for Recorder's Use

WITH GOVERNMENT CODE §6103

#### MARINE TERMINAL AND RAIL EFFECTS EASEMENT

By its duly authorized execution of this document, Ballpark Village LLC, a Delaware limited liability company ("Grantor"), grants to the general public ("Grantee"), a marine terminal and rail effects easement over and to that certain property owned by Grantor and located in the City of San Diego, and more specifically described in the legal description attached and incorporated into this grant of easement as "Attachment 1" (the "Property"). This marine terminal and rail effects easement is granted in perpetuity to the Grantee (and its successors). This grant of easement is executed, delivered and effective as of \_\_\_\_\_\_\_, 2005.

This easement, as defined and described in Section 2 herein, is granted for good and valuable consideration, and is made and accepted in further consideration of the recitals, representations and warranties in Section 1 herein.

#### 1.0 Recitals, Representations and Warranties.

- 1.1 Grantor's Ownership. As of the effective date of this grant of easement, Grantor is the legal owner in fee of the Property.
- 1.2 Benefit to Grantee. Certain property commonly known as the Tenth Avenue Marine Terminal (the "Terminal") that is owned by the Port of San Diego and certain rail and trolley lines and rail yards that are owned or operated by the BNSF Railway Company, San Diego & Imperial Valley Railroad, and the Metropolitan Transit Development Board (the "Rail Facilities") are located near the Property. The Rail Facilities and the Terminal provide a significant benefit to the general public because they facilitate the transfer of goods within and to and from the San Diego region, and therefore benefit commerce within the San Diego region.
- 1.3 Grantor's Development of the Property. Grantor desires to develop the Property and to receive necessary permits and authorization for such development from the Grantee and the Community Redevelopment Agency of the City of San Diego (the "RDA"). In connection and concurrently with execution and acceptance of this grant of easement: RDA has approved an Owner Participation Agreement ("OPA") incorporating San Diego Ballpark Village Master Plan Development Standards for the development of the Property; RDA has certified an Addendum to the Final Subsequent Environmental Impact Report (SCH No. 98121003) for the Ballpark Village Master Plan; and Grantor and RDA have executed the OPA governing the development of the Property.

# 1.4 Present and Future Effects of the Operation of Terminal and Rail Facilities on the Development and Use of the Property.

As a result of the present or future operation of the Terminal as a marine terminal and the Rail Facilities for rail transport, persons residing within, or otherwise lawfully using or occupying the Property, or any portion of the Property, may suffer inconvenience, annoyance, discomfort, emotional or physical distress or injury, interference with the comfortable use and enjoyment of the Property for its intended or permitted purpose, or diminution in the value the Property (the "Adverse Effects") as a result of any of the following ("Specific Causes"):

- (a) Noise emanating from the Terminal and Rail Facilities, including noise:
- (i) from operation of motive equipment including trucks, cars, trains, helicopters and vessels;
- (ii) associated with cargo handling operations, including noise from the use of cranes, fork lifts, bulk loading and unloading systems, conveyor systems, top pick, vessel cranes when lifting and lowering, yard tractors when picking up or delivering chassis, top picks while stacking or unstacking containers, conveyor or bucket loading of scrap steel and operation of pneumatic systems for bulk cargos;

- (iii) from terminal and railroad improvement or maintenance projects including pile driving, jack hammering, excavation or demolition; and
  - (iv) from ship, train and trolley whistles;
- (v) from train coupling and decoupling, trains and trolleys traversing rails, and diesel train engines;
- (b) Lights and illumination located at the Terminal and Rail Facilities, including lights and illumination from trains, vessels, trucks, cranes, buildings, warehouses, parking and cargo handling areas, including night time cargo operations;
- (c) Fumes and odors emanating from the Terminal and Rail Facilities, including fumes and odors associated with fuel farm operations, dredging projects, soil remediation projects and cargo operations (livestock, fish, agricultural products);
- (d) Dust and debris emanating from the Terminal and Rail Facilities, including particulate, dust and debris associated with operations and bulk cargo handling (e.g., sand, cement, soda ash, magnetite, gypsum and cottonseed); and
- (e) Traffic, including increased traffic that might occur along Harbor Drive between Cesar Chavez Parkway and Park Avenue if traffic were diverted to the Terminal's north entrance off of East Harbor Drive.

The nature and level of operations at the Terminal and the Rail Facilities may increase in the future, and may cause a resulting increase in the Specific Causes and the Adverse Effects.

## 1.5 Protection of Legal Rights and Interests Existing in Respect of the Operation of the Terminal and Rail Yards.

In connection with its desired development of the Property, and in consideration of good and sufficient consideration, Grantor, for itself and the "Grantor Parties" defined in Section 3.1 of this grant of easement, wishes to provide appropriate protections for the legal rights and interests of the Grantee, users of the Terminal and Rail Facilities, and the public with respect to the continued operation and use of the Terminal as a marine terminal and of the Rail Facilities for rail traffic.

#### 2.0 Grant and Terms of Marine Terminal and Rail Facilities Easement.

Grantor, for itself and the Grantor Parties, grants a perpetual and nonexclusive marine terminal and rail facilities easement (the "easement") over and to the Property to the Grantee, as described below. This easement is granted for the benefit of the Grantee and the "Grantee Related Parties" defined in Section 3.1 of this grant of easement.

# 2.1 Right to Impose on the Property Noise, Fumes and Other Consequential Effects of Operation of the Terminal and the Rail Facilities.

Subject to Section 2.4, for, as a result of, or in connection with any and all uses of the Rail Facilities for the passage of rail cars and engines, and marine terminal operations, ship loading and unloading, maintenance, or any other purpose directly or indirectly related to marine terminal operations at, to or from the Terminal, Grantee and the Grantee Related Parties shall have the right to subject the Property, or any structure or improvement on the Property, to any of the Specific Causes, and any and all resulting Adverse Effects, including, but not limited to, those Specific Causes and Adverse Effects that (i) may be objectionable, (ii) may cause a permanent or continuing nuisance with respect to the Property or its use, (iii) may cause any emotional or other distress or injury to any person, or (iv) may cause or result in any taking of or damage to the Property, any portion of the Property, or any improvements on or to the Property.

#### 2.2 Continuing and Future Easement Rights.

This easement shall continue in perpetuity. No conduct or use of the Property by Grantor or any Grantor Party for any period of time shall be construed to establish prescriptive rights in Grantor or any such Grantor Party.

#### 2.3 Waiver of Claims.

Subject to Section 2.4, Grantor and each of the Grantor Parties waive any right, or claim of right, for damages or otherwise, against Grantee, and all Grantee Related Parties (as defined in Section 3.1), for any act or activity undertaken consistent with the rights granted in, or permitted by, this grant of easement.

#### 2.4 Compliance with Law.

Each Grantee Related Party's rights under the easement are subject to, and conditioned upon, the Grantee Related Parties' compliance with all applicable statutes, ordinances, court decisions and orders, regulations and other applicable laws ("Applicable Laws"). No Grantee shall have any right to subject the Property to any Specific Cause if subjecting the Property to such Specific Cause, or the existence of such Specific Cause, constitutes or results from any violation of any Applicable Law.

#### 3.0 General Provisions.

#### 3.1 Persons Bound by Easement

This easement shall be for the benefit of Grantee and all members of the public who use the Terminal and Rail Facilities ("Grantee Related Parties"). This easement, and all resulting rights, is forever vested in Grantee, its successors and assigns. The obligations created, and privileges and rights granted, by this easement shall be binding upon the Property (and each portion thereof) and all Grantor Parties. For purposes of this easement, "Grantor Party" or "Grantor Parties" means, collectively: (i)

Grantor and its affiliates, successors and assigns; (ii) all subsequent owners of a fee interest in any portion of the Property and their respective heirs, administrators, executors, representatives, successors and assigns; and (iii) all persons and entities from time to time on, using and/or occupying any portion of the Property, either as an owner, tenant, licensee, invitee, permittee, concessionaire, employee, visitor, guest or otherwise.

#### 3.2 Modification or Termination of Easement.

This easement may not be modified, amended, terminated or abandoned except by execution and delivery of an instrument executed and acknowledged by Grantee, its successors or assigns.

#### 3.3 Severability.

In the event that any one or more covenant, condition, right or other provision contained in this easement is held to be unenforceable, invalid, void or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this easement and such a determination shall in no way affect, impair, or invalidate any other covenant, condition, right or other provision of this easement.

### GRANTOR

	PARK VILLAGE LLC, ware limited liability company
Ву:	Lennar Homes of California, Inc., a California corporation
	By: Its:
Ву:	JMIR-Ballpark Village LLC, a Delaware limited liability company
	By: JMIR Project Manager, LLC a Delaware limited liability company
	By: Its:

STATE OF CALIFOR	NIA )		
COLDIENT	) ss.	*	
COUNTY OF	)		
On		, 2005	before r
	- ~	ublic in and for said State	
	_	rsonally known to me (o	<del>-</del>
		erson(s) whose name(s) is	
	_	me that he/she/they e nd that by his/her/their	
	• •	n behalf of which the per	• , ,
the instrument.	,, J	1	
MUTNICCO l 1	4 - 66' - 1 - 1 1		
WITNESS my hand an	d official seal.		
Signature		(Seal)	
	NTI A		
STATE OF CALIFOR	NIA ) ss.		
COUNTY OF	)		
0		2005	1 6
On	a notary r	, 2005 ublic in and for said State	before 1
		rsonally known to me (or	
basis of satisfactory ev	•	erson(s) whose name(s) is	-
within instrument and	i acknowledged to	me that he/she/they e	xecuted the same
	• • • •	nd that by his/her/their	• •
	s), or the entity upo	n behalf of which the per	son(s) acted, execu
the instrument.			
WITNESS my hand an	d official seal.		
Cianatura	_	(Coal)	
Signature		(Seal)	

#### ATTACHMENT 1

#### LEGAL DESCRIPTION OF THE PROPERTY

Lots 7, 8, 10, 12, and 13 through 16, inclusive, of Parcel Map No. 18855 filed on December 7, 2001 as File No. 2001-0900838 in the Official Records of the San Diego County Recorder.

#### Attachment E

#### **DISCLOSURE**

#### Homeowner Disclosure – Marine Terminal and Rail Facilities

The Tenth Avenue Marine Terminal and BNSF Railway Company rail yard are located and operate in the general vicinity of Ballpark Village. The marine terminal is the site of bulk and breakbulk loading and unloading activities conducted by tenants of the Port of San Diego. Other operations at the terminal include trucking, storage and maintenance activities. The railroad operates trains 24 hours every day. In the future, activities at the terminal and railroad may intensify or may be expanded to include other activities not currently conducted or contemplated. The present and future operations of the terminal and railroad may create significant adverse impacts affecting purchasers, tenants and Those impacts include inconvenience, noise, and occupants of Ballpark Village. interference with the comfortable use and enjoyment of the homes in Ballpark Village. Specifically, there may be noise from operation of equipment, lights and illumination, fumes and odors, dust and debris, vibration, sun blockage and traffic. One potential effect of these impacts may be a diminution in the quality of life for those residing in Ballpark Village and a reduction of the value of homes built there. Because of those potential impacts, an easement has been granted by the owners of Ballpark Village in favor of the general public to protect the continued operation, use and expansion of these facilities. A copy of the easement will be provided to you, and you should read it carefully; you, as the successor-in-interest to the original owner of Ballpark Village, will be bound by the waiver and other agreements contained in the easement. The easement includes a waiver by Seller, all buyers acquiring a home in Ballpark Village and each of their successors-in-interest and certain other parties of their right to assert that the present and future operations of the marine terminal and railroads constitute a public or private nuisance.

### Attachment F

#### OBLIGATIONS RETAINED BY DEVELOPER

Regardless of any conveyances of Parcels or leasing of space within the Project, Developer, and only Developer, shall remain obligated throughout the term of this Agreement for the obligations set forth in the following provisions:

Section V (Affordable Housing)

Section VI.A (Funding for Economic Impact Study)

Section VI.B (Funding for Arts, Youth, and Culture)

Section VI.E (Marine Terminal and Railroad Easement and Disclosure) regarding the obligation to record the easement.

For purposes of this Attachment F, the term "Developer" shall include both Developer and any entity with which Developer merges or that acquires Developer.

### Attachment G

### AFFORDABLE HOUSING AGREEMENT

SD\1641098.1 358138-1

# AFFORDABLE HOUSING AGREEMENT (Ballpark Village)

This Affordable Housing Agreement (this "Agreement") is entered into as of
2005 by and among Ballpark Village LLC, a Delaware limited liability company (th
"Participant"), San Diego Housing Commission (the "Commission"), the Redevelopment
Agency of the City of San Diego (the "Agency") and, a
limited partnership (the "Developer").

#### **RECITALS**

- A. OPA. The Participant and the Agency are parties to that certain Owner Participation Agreement dated as of \_\_\_\_\_\_ (the "OPA") which governs the development of a multi-use project commonly referred to as Ballpark Village ("Ballpark Village") upon that certain real property (the "Site") owned by the Participant and more particularly described on Exhibit A attached hereto and incorporated herein by this reference. The Participant intends to subdivide the Site by lot line adjustment into the parcels (each, a "Parcel" and collectively, the "Parcels") shown and named on Exhibit B attached hereto.
- B. Affordable Housing Requirements. Development of the Site is governed by Chapter 14, Article 2, Division 13 of the San Diego Municipal Code (the "Ordinance"), which requires either that at least ten percent (10%) of the total dwelling units constructed on the Site be reserved for households with household incomes below specified levels; or that such units be constructed on another site within the community planning area; or that an in-lieu fee be paid; or some combination of the foregoing. The OPA also requires the Participant to construct dwelling units which comply with affordable housing requirements under the Ordinance and the Community Redevelopment Law of the State of California.
- C. <u>Project Land</u>. The Developer owns three parcels of unimproved land in the City of San Diego, California, as more particularly described on <u>Exhibit C</u> attached hereto (the "Project Land"). In consideration of the Participant's payment of in-lieu fees described in the Ordinance pursuant to Section 4 below and in light of Developer's, the Agency's and the Commission's interest in having an affordable housing project constructed on the Project Land, Developer desires to contribute the Project Land at no cost to the Participant, the Agency, or the Commission and to cause the construction of affordable housing units thereon in satisfaction of the Participant's obligations under the Ordinance and the OPA.
- D. <u>Intention of the Parties</u>. The Participant, the Commission, the Agency and the Developer desire to agree upon the construction, rental, and monitoring of dwelling units upon the Project Land that will satisfy the Participant's affordable housing obligations under the Ordinance and the OPA.

#### **AGREEMENT**

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

- 1. Restricted Units. To satisfy Participant's obligations under the Ordinance and the OPA, the Developer shall design, entitle, construct or cause the construction of three buildings (the "Project") on the Project Land which will consist of, among other things, not less than \_\_\_\_\_ for-rent dwelling units (each, a "Restricted Unit") which are affordable to Eligible Households (as defined below).
- 1.1 Eligible Households. Households eligible to rent a Restricted Unit (each, an "Eligible Household"), shall mean persons and families earning income within, but not more than, the limits applicable to the household size in question, as set forth in either: (a) that certain chart labeled "2004 65% Area Median Income and Rent Restrictions," within the Inclusionary Affordable Housing Implementation and Monitoring Procedures Manual (the "Manual"), which is attached hereto as <a href="Exhibit D">Exhibit D</a> (as such maximum income limits may be updated by the Commission from time to time to accommodate changes in Area Median Income [as defined below]), or (b) \_\_\_\_\_\_ [NEED TO DETERMINE AGENCY REQUIREMENTS FOR FOR-RENT PRODUCT.] In the event of any conflict between the two standards set forth in clauses (a) and (b) of the preceding sentence, the more restrictive standard (i.e., the standard requiring persons and families to fall within the lower income to qualify) shall be used to determine "Eligible Households."
- 1.2 <u>Area Median Income</u>. For purposes of this Agreement, the term "Area Median Income" means the area median income, as adjusted for family size, for the San Diego Metropolitan Area as promulgated by the California Department of Housing and Community Development ("HCD"). In the event HCD ceases to publish an established Area Median Income as aforesaid, the Commission may, in its sole discretion, use any other reasonably comparable method of computing Area Median Income.
- 2. <u>Sizes, Types and Amounts</u>. The Developer shall construct Restricted Units in the sizes, types, amounts and with parking as set forth in <u>Exhibit E</u> attached hereto. Notwithstanding the foregoing and regardless of any amendments to this Agreement to which the parties may hereafter agree, the parties acknowledge and agree that at least seventy-five percent (75%) of the total Restricted Units in the buildings located at 16<sup>th</sup> Street and Market and at 17<sup>th</sup> Street and Commercial shall collectively be two-bedroom and three-bedroom units. The quality of interior and exterior finishes of each Restricted Unit shall comply with the requirements of the Ordinance.
- 3. <u>Construction of Project</u>. The Developer shall design and construct or cause the construction of all Restricted Units on the Project Land as follows:
- 3.1 <u>Design</u>. Upon the full execution of this Agreement by the parties and the delivery of the Initial Deposit (as defined below) by the Participant as described in Section 4.1 below, the Developer shall promptly commence preparation of schematic design of the Project in accordance with the specifications set forth in <u>Exhibit E</u> attached hereto.

- 3.2 <u>Construction</u>. The Developer shall perform each of the actions set forth in the schedule of performance attached hereto as <u>Exhibit F</u> on or before the dates identified therein for the performance of such actions.
- 3.3 Financing. The Developer shall finance the construction of the Project in accordance with that certain financing plan (as amended from time to time, the "Financing Plan") attached hereto as Exhibit J, as may be amended from time to time by mutual agreement of the parties. The Developer shall also submit the Evidence of Financing required by Section 5 to the Agency and the Commission for their respective approvals at the earliest possible date and in any event, no later than \_\_\_\_\_\_. If either the Agency or the Commission disapprove of the Developer's submittals, the Developer shall respond to the Agency and the Commission and obtain such approvals as soon as possible thereafter. The Developer shall ensure that the Evidence of Financing complies with the Financing Plan.
- 3.3.1 Notwithstanding the Financing Plan, the Developer shall use commercially reasonable efforts to first apply for and attempt to obtain sources of funding that are not from, or administered by, local agencies. If, however, the Developer is unable to finance the Project without such local sources of funding, despite its commercially reasonable efforts, and such failure could hinder the Participant's reasonable, estimated timeframe for construction on Parcels C1, C3 or C4 to commence and be completed, the Developer shall have the right to apply for and utilize such funding.
  - 3.4 <u>Project Management.</u> The Developer shall be solely responsible for:
- (i) Renting the Restricted Units and complying with Commission and Agency (or Centre City Development Corporation ("CCDC"), on behalf of the Agency) rules, regulations and policies regarding such rentals; and
- (ii) Monitoring the Restricted Units and otherwise complying with the Agency's affordable housing requirements.

The Developer shall ensure that the Project satisfies the affordable housing requirements imposed upon Ballpark Village and/or the Participant by this Agreement, the OPA and the Ordinance.

- 4. <u>Payment of Project Costs</u>. As payment toward the design, development and construction of the Project, the Participant will deposit into an escrow (the "Escrow") opened with Chicago Title Company, 701 B Street, Suite 1700, San Diego, California 92101 (the "Escrow Agent") the following amounts, prior to the occurrence of the events correlating to such amounts. The Escrow Agent shall receive, maintain and disburse such amounts in accordance with the Escrow Instructions attached hereto as <u>Exhibit I</u> which shall require disbursement to the Developer upon the occurrence of the related events:
- 4.1 <u>Initial Deposit</u>. One Hundred Thousand Dollars (\$100,000) (the "Initial Deposit"), upon the delivery of a fully-executed copy of this Agreement to the Escrow Agent.
- 4.2 <u>Second Deposit</u>. Four Hundred Thousand Dollars (\$400,000) (the "Second Deposit"), upon CCDC's approval of a Centre City Development Permit for the Project.

- 4.3 <u>Full In-Lieu Fee</u>. The Full In-Lieu Fee (as defined below), less \$500,000, upon issuance of a building permit for the Project. For purposes of this Agreement, the "Full In-Lieu Fee" means the affordable housing fee, as initially estimated in good-faith by the Participant and the Commission and reconciled as described below, which would be due under the Ordinance. Such estimate will be based upon the total number of market-rate residential units that the Participant then expects to be constructed within Ballpark Village. The parties currently estimate the affordable housing fee to be \$7 per square foot of market-rate residential units. The Participant will deliver written notice of its estimate to the Developer (with a copy to the Commission, the Agency and the Escrow Agent) prior to the issuance of a building permit for the Project.
- 4.3.1 <u>Reconciliation</u>. Upon receipt of a building permit for the last market-rate residential units within Ballpark Village, the Participant will determine the amount (the "Final Full In-Lieu Fee") of the Full In-Lieu Fee that the Participant would otherwise have been required to pay under the Ordinance for all of the market-rate residential units constructed within Ballpark Village. The Final Full In-Lieu Fee shall be calculated based upon the persquare-foot affordable housing rates that were applicable at the time building permits were issued for market-rate residential units within Ballpark Village, which the parties acknowledge may differ based upon the times when such permits were issued. If the Participant has not then paid the Final Full In-Lieu Fee to the Developer, it shall deliver the difference directly to the Developer within thirty (30) days thereafter. If the Participant has paid more than the amount of the Final Full In-Lieu Fee to the Developer, the Developer will refund the difference to the Participant within thirty (30) days after it receives notice from the Participant.
- 4.4 <u>No Other Payments</u>. Other than the amounts set forth above, as reconciled pursuant to Section 4.3.1, the Participant shall have no other obligation, and the Developer shall pay, for the costs or expenses of designing, developing and constructing the Project; renting Restricted Units therein and cooperating with the Agency, CCDC and/or the Commission regarding monitoring the Restricted Units and otherwise complying with the Developer's obligations under this Agreement.
- 5. Security. As security for the Participant's affordable housing obligations under the Ordinance and the OPA, building permits will not be issued for any improvements on Parcels C1, C3 or C4, or any portion thereof, unless and until: (a) the Developer obtains the Agency's and the Commission's approval of Evidence of Financing (as defined below) for the Restricted Units; (b) the Declaration and Deed of Trust referenced in Section 6 below are recorded and constitute a valid lien against the Restricted Units, and (c) the Developer commences construction of the buildings in which the Restricted Units will be located pursuant to a building permit or permits issued by the City of San Diego; provided, however, the foregoing shall not prohibit the Participant from applying for and obtaining, prior to the satisfaction of the conditions set forth in clauses (a) and (c) of this sentence, a building permit for a subterranean parking garage that spans more than one Parcel. In addition, the Participant shall not seek any certificates of occupancy, nor shall any certificates of occupancy be issued (other than for retail uses and the aforesaid subterranean parking garage), for Parcels C1, C3 or C4, or any portion thereof, unless and until the City of San Diego issues a certificate of occupancy for the Restricted Units.

- 5.1 For purposes of this Section 5, the term "Evidence of Financing" shall mean all of the following, satisfactory to the Agency and the Commission in their reasonable discretions:
  - (1) A copy of the commitment or commitments for the mortgage loan or loans obtained or to be obtained (both for interim construction financing and take out financing if a condition of funding the construction loan) to assist in financing the construction of the Restricted Units on the Project Land, certified by the Developer to be a true and correct copy or copies thereof;
  - (2) A copy of the contract between the Developer and the general contractor for the construction of the Restricted Units on the Project Land, certified by the Developer to be a true and correct copy thereof;
  - (3) A copy of all construction and, if applicable, permanent loan documents (e.g., notes, trust deeds, indentures, loan agreements, etc.) pertaining to the financing for the construction of the Restricted Units; and
  - (4) Evidence satisfactory to the Agency of sources of equity capital sufficient to demonstrate that the Developer has adequate funds legally committed to cover the difference, if any, between the construction cost for the Restricted Units minus financing authorized by mortgage loans.
- 5.2 The Agency and the Commission shall approve or disapprove of such Evidence of Financing within thirty (30) days after the Developer's submission of all documents described in Sections 5.1(1) through (4) above. Each such approval shall not be unreasonably withheld. Failure of the Agency or the Commission to timely approve or disapprove of any Evidence of Financing submitted by the Developer shall constitute such party's approval of such submission. If the Agency or the Commission disapproves any submitted Evidence of Financing, such party shall do so by written notice to the Developer stating its reasons for such disapproval.
- 6. Recorded Agreement and Declaration. Upon the full execution of the OPA by the parties thereto, an Agreement to be Recorded Affecting Real Property which effects the requirements of the OPA shall be recorded against the Site. Simultaneously therewith, a Declaration of Covenants, Conditions and Restrictions (the "Declaration") by the Developer in favor of the Commission, in form and of content as set forth on Exhibit G attached hereto, shall be recorded against the Project. The Developer's compliance with the provisions of such Declaration shall be secured by the recordation of a Deed of Trust (the "Deed of Trust") in favor of the Commission against the Project, in form and of content as set forth on Exhibit H attached hereto. The Deed of Trust will be subordinate to any liens securing financing for the Project, but the recorded Declaration shall be senior to any such liens and shall not be extinguished by foreclosure, a deed in lieu of foreclosure or power of sale, or sale. The Developer shall cause to be delivered to the Commission a standard form CLTA lender's policy of title insurance in the amount of \$100,000, insuring that each of the Declaration and Deed of Trust are valid encumbrances with lien priorities as set forth in this Section 6.

- 7. <u>Marketing</u>. The Developer shall comply with the marketing requirements set forth in the Manual, including without limitation, by submitting an affirmative marketing plan that complies with City Council Policy 600-20 to the City Manager for approval. The Developer agrees that neither it nor its agents shall discriminate against any prospective tenant or any actual tenant of a Restricted Unit on the basis of sexual orientation, marital status, race, color, creed, religion, sex, national origin or ancestry, age, physical handicap, or the fact that a prospective or actual tenant has a child or children.
- 7.1 Without limiting the foregoing, to the extent permitted by applicable law, the Developer shall provide focused efforts to advertise vacancies for the Restricted Units within the Surrounding Communities. The Developer shall also periodically provide information to A Community Coalition for Responsible Development (ACCORD) to enable ACCORD to determine whether Restricted Units are being rented by residents within the Surrounding Communities.
- 8. Rental Restriction. The Developer and any subsequent tenant of a Restricted Unit (any such subsequent tenant is referred to as a "Tenant") shall only rent such Restricted Unit to an Eligible Household for a total consideration ("Actual Rent") not to exceed the Maximum Rent applicable to such Restricted Unit. For purposes of this Agreement, the maximum rent that may be charged for a Restricted Unit ("Maximum Rent") means the maximum rent applicable to the unit size in question, as set forth in either: (a) that certain chart labeled "2004 65% Area Median Income and Rent Restrictions," within the Manual, or (b) California Health and Safety Code Section 50053(b)(\_\_).
- 9. <u>Occupancy Criteria</u>. Beginning with the initial rental of a Restricted Unit and continuing with each rental thereafter in perpetuity, a Tenant shall meet the following criteria ("Occupancy Criteria"):
- 9.1 <u>Sole Residence</u>. The Tenant shall occupy the Restricted Unit as his/her only residence. The Tenant shall be considered as occupying the Restricted Unit as the Tenant's only place of residence if the Tenant is living in the Restricted Unit for at least ten (10) months out of each calendar year. The Tenant shall not sublease or rent the Restricted Unit.
- 10. Monitoring Services. The Commission shall monitor, at no cost to the Participant or the Developer other than as provided in Section 11 below, the occupancy of each Restricted Unit, at such times and using such methodologies as determined by the Commission in the Commission's sole discretion, to determine whether the Tenant meets the Occupancy Criteria. Upon a determination by the Commission that the Occupancy Criteria have not been, or are not being, met, the Tenant shall rent the Restricted Unit to an Eligible Household for a total consideration that does not exceed the Maximum Rent. The Commission shall also perform all required monitoring of the Restricted Units with respect to the affordability requirements of this Agreement and the Declaration, at such times and using such methodologies as determined by the Commission in the Commission's sole discretion, including, without limitation: (a) determining whether prospective tenants of Restricted Units constitute Eligible Households; and (b) calculating the Maximum Rent for Restricted Units.

- 11. <u>Commission Fees</u>. As payment for the Commission's services referenced in Section 10 above, the Developer shall pay the fees set forth in the Declaration.
- 12. <u>Compliance Review</u>. The parties shall meet and confer every six (6) months (each, a "Compliance Review") after execution of this Agreement to update the Participant's estimate of the number of market-rate units to be developed on the Site, the progress of plans and permits for the Project, and the construction, marketing and rental of the Restricted Units within the Project; provided that, notwithstanding any such updates and reconciliations, all such elements and payments shall at all times comply with the requirements of the OPA, the Declaration, this Agreement and the State Community Redevelopment Law, to the extent applicable.

#### 13. Indemnity.

- By Participant. The Participant shall be responsible for all injuries to 13.1 persons and/or all damages to real or personal property of the Developer, the Commission or others, caused by or resulting from the negligence and/or breach of this Agreement, by the Participant, its employees, subcontractors and/or its agents. The Participant shall defend and hold harmless and indemnify the Developer, the Commission, the Housing Authority of the City of San Diego, the Agency, the City, CCDC, and all of their respective officers, employees, contractors and agents from all costs, damages, judgments, expenses and claims to any third party resulting from the negligence or breach of this Agreement by the Participant, its employees, subcontractors and/or its agents, except to the extent arising from the sole negligence or willful misconduct of the Developer, the Commission, the Housing Authority of the City of San Diego, the Agency, the City, CCDC, or any of their respective officers, employees, contractors and agents. It is the intent of the parties that this indemnity agreement be construed and interpreted as a Type I Indemnity Agreement in favor of the Developer, the Commission, the Housing Authority of the City of San Diego, the Agency, the City, CCDC, and each of them, as defined in the California cases entitled McDonald & Kruse, Inc. v. San Jose Steel Company, Inc. (1972) 29 Cal.App.3d 413, and CI Engineering & Construction v. Johnson (1983) 140 Cal.App.3d 1011, 1015.
- By Developer. The Developer shall be responsible for all injuries to 13.2 persons and/or all damages to real or personal property of the Participant, the Commission or others, caused by or resulting from the negligence and/or breach of this Agreement, by the Developer, its employees, subcontractors and/or its agents during the construction of or arising out of the construction of the Project and/or the breach of this Agreement. The Developer shall defend and hold harmless and indemnify the Participant, the Commission, the Housing Authority of the City of San Diego, the Agency, the City, CCDC, and all of their respective officers. employees, contractors and agents from all costs, damages, judgments, expenses and claims to any third party resulting from the negligence, breach of this Agreement, or construction of the Project by the Developer, its employees, subcontractors and/or its agents, except to the extent arising from the sole negligence or willful misconduct of the Participant, the Commission, the Housing Authority of the City of San Diego, the Agency, the City, CCDC, or any of their respective officers, employees, contractors and agents. It is the intent of the parties that this indemnity agreement be construed and interpreted as a Type I Indemnity Agreement in favor of the Participant, the Commission, the Housing Authority of the City of San Diego, the Agency,

the City, CCDC, and each of them, as defined in the California cases entitled *McDonald & Kruse, Inc. v. San Jose Steel Company, Inc.* (1972) 29 Cal.App.3d 413, and *CI Engineering & Construction v. Johnson* (1983) 140 Cal.App.3d 1011, 1015.

- 13.3 <u>Insurance</u>. During the period commencing with the effective date of this Agreement (as defined in Section 27 below) and ending on the date when a certificate of occupancy has been issued with respect to the Project, the Developer shall furnish or cause to be furnished to the Commission and the Agency, duplicate originals or appropriate certificates of bodily injury and property damage insurance policies in the amount of at least Three Million Dollars (\$3,000,000) combined single limit naming the Participant, the Commission, the Housing Authority of the City of San Diego, the Agency, the City, CCDC, and their respective officers, employees, contractors and agents as additional insureds.
- Hazardous Materials. It is expressly understood that the Developer is 13.4 solely and exclusively responsible for any and all problems, claims, work, clean-up efforts and the like associated with any alleged Hazardous Materials, as defined below, on the Project Land. Neither the Participant, the Commission, nor the Housing Authority of the City of San Diego, has any obligation or liability whatsoever regarding toxic contamination or Hazardous Materials on the Project Land. This obligation is and shall remain even after completion of the construction and timely filing of certificates of occupancy. The Developer agrees to and shall defend, indemnify and hold the Participant, the Commission, the Housing Authority of the City of San Diego, the Agency, the City, CCDC, and their respective officers, employees, contractors and agents harmless from and against all claims, liability, loss, judgments, damage, costs, or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of the presence or discharge or remediation of Hazardous Materials by the Developer on the Project Land. "Hazardous Materials" means and includes any hazardous, toxic or dangerous waste, substance or material including, without limitation, flammable explosives, radioactive materials, asbestos, hazardous wastes, toxic substances and any materials or substances defined as hazardous materials, hazardous substances or toxic substances in (or for purposes of) the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended (42 U.S.C. §9601, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §1801, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §6901, et seq.), and those substances defined as hazardous wastes in §25117 of the California Health and Safety Code or as hazardous substances in §25316 of the California Health and Safety Code or in any regulations promulgated under either such law, any so-called "Superfund" or "Superlien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulation. order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect.
- 13.5 <u>Labor Code</u>. The Developer shall indemnify, protect, defend and hold harmless the Participant, the Commission, the Housing Authority of the City of San Diego, the Agency, the City, CCDC and their respective officers, employees, contractors and agents, with counsel reasonably acceptable to such indemnified parties, from and against any and all loss, liability, damage, claim, cost, expense, and/or "increased costs" (including reasonable attorneys' fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development, construction (if required by applicable law) and/or operation of the Project,

including, without limitation, any and all public works (if required by applicable law), results or arises in any way from any of the following: (1) the noncompliance by the Developer with any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, any requirement to pay state prevailing wages, if applicable); (2) the implementation of the Applicable Labor Code Provisions, as defined in the OPA; (3) failure by the Developer to provide any required disclosure or identification as required by the Applicable Labor Code Provisions; (4) failure by the Developer to provide and maintain any and all bonds to secure the payment of contractors (including the payment of wages to workers performing any public work) which may be required by the Applicable Labor Code Provisions; and/or (5) failure by the Developer to obligate any party as may be required by the Applicable Labor Code Provisions. It is agreed by the parties that, in connection with the development, construction (if required by applicable law) and operation of the improvements, including, without limitation, any and all public works (if required by applicable law), the Developer shall bear all risks of payment or non-payment of state prevailing wages and/or the implementation of the Applicable Labor Code Provisions. "Increased costs" as used in this Section shall have the meaning ascribed to it in the Applicable Labor Code Provisions. The foregoing indemnity shall survive termination of this Agreement and shall continue after completion of the development of the Project. Nothing herein contained shall prohibit or limit the Developer from contesting the validity or applicability of any statute, ordinance or regulation pertaining to the subject matter of this Section, including but not limited to any provision of the Labor Code or any regulation adopted pursuant thereto.

- 14. <u>Assignment of Agreement</u>. Neither the Participant nor the Developer shall assign all or any part of this Agreement without the prior written approval of the Commission and the Agency, which approvals shall not be unreasonably withheld. The Commission and the Agency agree to approve assignments to an "Affiliate" of the Participant. For purposes of this Agreement, "Affiliate" means an entity that is under the control or common control with the Participant or either of Participant's managing members.
- 15. <u>Termination of Agreement</u>. This Agreement and the relationship created herein shall terminate upon full satisfaction of all of Participant's obligations under this Agreement. The obligations of the Developer include, but are not limited to, those obligations arising under the Declaration, the provisions of which shall survive termination of this Agreement.
- 16. Governing Law. This Agreement, its performance, and all suits and special proceedings under this Agreement, shall be interpreted in accordance with the laws of the State of California. In any action, special proceeding, or other proceeding that may be brought arising out of, under or because of this Agreement, the laws of the State of California shall govern to the exclusion of the law of any other forum, without regard to the jurisdiction in which the action or special proceeding may be instituted.
- Rights and Remedies. The Participant and the Developer expressly agree and declare that the Commission, the Agency, the Housing Authority of the City of San Diego, and any successors shall be the proper parties and shall have standing to initiate and pursue any and all actions or proceedings, at law or in equity, including but not limited to foreclosure under any Deed of Trust, to enforce the provisions hereof and/or to recover damages for any default hereunder, notwithstanding the fact that such damages or the detriment arising from such a

default may have actually been suffered by some other person or by the public at large. Further, the Participant and the Developer expressly agree that receivership, injunctive relief and specific performance are proper pre-trial and/or post-trial remedies hereunder, and that, upon any default, a receiver may be appointed by the court to take control of the Project and to assure compliance with this Agreement. Nothing in this subparagraph, and no recovery by the Commission, the Agency, the City, CCDC, or the Housing Authority of the City of San Diego shall restrict or limit the rights or remedies of persons or entities other than such recovering parties against the Participant or the Developer in connection with the same or related acts by such party. The remedies set forth in this Section are cumulative and not mutually exclusive, except the extent that their award is specifically determined to be duplicative by final order of a court of competent jurisdiction.

- 17. Authority. The Participant and the Developer each represent and warrant that no member, officer, or employee of the Participant or the Developer, no member of the governing body of the locality in which the Commission was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to this Agreement, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this Agreement or the proceeds thereof. Any violation of this section may, at the option of the Commission, result in unilateral and immediate termination of this Agreement by the Commission.
- 18. Notices. Notices under this Agreement shall be deemed given: (a) upon actual personal delivery to the notified party, (b) upon the expiration of three (3) days from the insertion of the notice, properly addressed and certified mail, return-receipt requested, postage prepaid, in a U.S. mail depository within California, or upon the expiration of seven (7) days from the insertion of the notice, properly addressed and via certified mail, return receipt requested, postage prepaid, in a U.S. mail depository outside of California, or (c) the next business day after delivery to any overnight express carrier. Notices shall be sent to the addresses for the parties as set forth below or as changed by either party from time to time by written notice to the other party.

Commission: San Diego Housing Commission

ATTENTION: Loan Management

1625 Newton Avenue San Diego, CA 92113

Copy to: Christensen Schwerdtfeger & Spath LLP

444 West C Street, Suite 200

San Diego, CA 92101

If to Agency: Redevelopment Agency of the City of San Diego

City Administration Building

202 C Street

San Diego, California 92101

Copy to: Centre City Development Corporation

	San Diego, CA 92101
If to Developer:	
If to Participant:	Ballpark Village LLC 12680 High Bluff Drive, Suite 200 San Diego, California 92130

225 Broadway, Suite 1100

- 19. <u>Counterparts</u>. This Agreement may be executed in counterparts, each of which shall constitute an original, and all of which shall collectively constitute one instrument.
- 20. <u>Further Assurances</u>. The parties hereto agree to take such actions and execute such additional documents as are reasonably necessary to carry out the provisions of this Agreement.
- 21. <u>Attorneys' Fees</u>. The prevailing party in any action, including without limitation, a petition for writ of mandate, and/or an action for declaratory relief, brought to enforce, interpret or reform the provisions of this Agreement shall be entitled to reasonable attorneys' fees and costs (including, but not limited to, experts' fees and costs), incurred in connection with such action.
- 22. <u>Severability</u>. If any provision of this Agreement is deemed to be invalid or unenforceable by a court of competent jurisdiction, that provision shall be severed from the rest of this Agreement and the remaining provisions shall continue in full force and effect.
- 23. <u>Integration</u>. This Agreement contains the entire understanding between the parties concerning the subject matter contained herein. There are no representations, agreements, arrangements or understandings, oral or written, between or among the parties hereto, relating to the subject matter of this Agreement, which are not fully expressed and/or referred to herein. All exhibits referred to in this Agreement are hereby incorporated in this Agreement by this reference, regardless of whether or not the exhibits are actually attached to this Agreement.
- 24. <u>Interpretation of Agreement</u>. The provisions contained in this Agreement shall not be construed in favor of or against any party but shall be construed as if all parties contributed equally to its preparation.
- 25. <u>Liability of Commission</u>. Neither the Commission nor the Agency shall in any way be liable for any acts or omissions of the Participant, the Developer, any agent or contractor employed by the Participant or the Developer, or any person furnishing labor and/or materials used in or related to the construction of the Project.

- 26. <u>Timing</u>. Time is of the essence of this Agreement and of each and every provision hereof. The waiver by the Commission or the Agency of any breach or breaches hereof shall not be deemed, nor shall the same constitute, a waiver of any subsequent breach or breaches.
- 27. <u>Effective Date</u>. The parties acknowledge that this Agreement shall become effective upon the Agency's and the Participant's execution of the OPA and the parties' execution of this Agreement.

	PARTICIPANT:
	BALLPARK VILLAGE LLC, a Delaware limited liability company
	By: Lennar Homes of California, Inc, a California corporation
Date:	By:
	By: JMIR-Ballpark Village LLC, a Delaware limited liability company
	By: JMIR Project Manager, LLC a Delaware limited liability company
Date:	By: Its:
	DEVELOPER:
	a
	By: Name: Its:
	AGENCY:
	REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO

Date:	By:
	Its:
	Name:
APPROVED AS TO FORM AND LEGON THIS _ day of, 20	FALITY
MICHAEL AGUIRRE Agency General Counsel	
Ву:	_
APPROVED:	
KANE, BALLMER & BERKMAN Agency Special Counsel	
By: Murray O. Kane	_
	COMMISSION:
	SAN DIEGO HOUSING COMMISSION
	By:
	Its: Name:
APPROVED:	
CHRISTENSEN SCHWERDTFEGER & SPATH LLP Commission General Counsel	
Commission General Counses	
Ву:	_
Walter Spath	

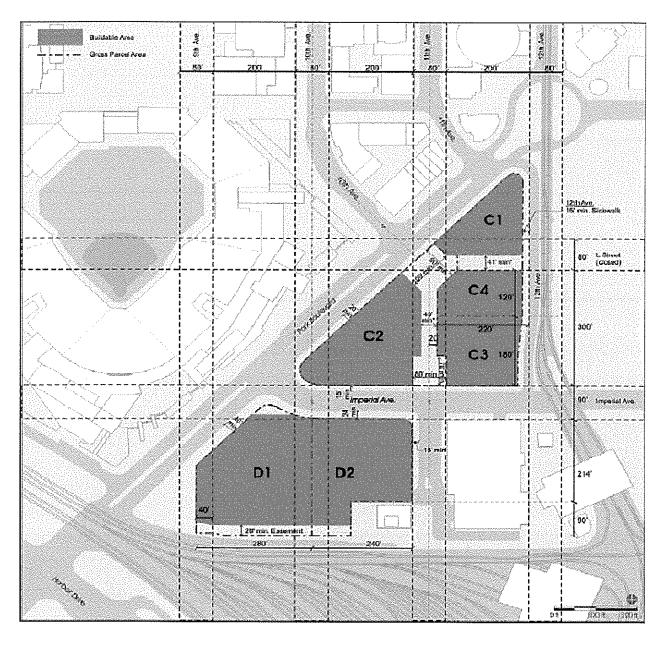
#### **EXHIBIT A**

#### SITE

LOTS 7, 8, 10, 12, AND 13 THROUGH 16, INCLUSIVE, OF PARCEL MAP NO. 18855 FILED ON DECEMBER 7, 2001 AS FILE NO. 2001-0900838 IN THE OFFICIAL RECORDS OF THE SAN DIEGO COUNTY RECORDER.

#### **EXHIBIT B**

#### **DEPICTION OF PARCELS**



### EXHIBIT C

#### PROJECT LAND

#### EXHIBIT D

2004 MAXIMUM INCOME – 100% AREA MEDIAN INCOME

### **EXHIBIT E**

### PROJECT SPECIFICATIONS

	15th & Commercial it Size Total Sq. Ft.		16th & Market Total Sq. Ft.		17th & Commercial		TOTAL
Unit Size						Total Sq. Ft.	
Transitional	20,520		I	- Table			13%
Studio	15,372				5.000		13%
one-BR		]	9,030		6,450		10%
two-BR		ļ	28,280		16,400		28%
three-BR			28,140		28,000		36%
AMI*						Transis I	
30%	67%	į	12%		10%	T T	29%
40%	18%		35%		30%		28%
50%	15%		35%		40%		30%
60%	0%		18%		20%		13%
* Figures represent the percentage of	 of total units to be provid	led for te	nants falling	below given /	AMI,	1000	
Total Sq. Ft.	111,500	s.f	114,750	s.f	64,040	s.f	
9th Floor	studios		one, two, thr	ee - PP		And and and an	
8th Floor	studios		one, two, thr				
7th Floor	transitional		one, two, thr				
6th Floor	transitional		one, two, thr		childine.	ne two three BR	
5th Floor	transitional		one, two, thr		studios; one, two, three - BR studios; one, two, three - BR		
4th Floor	transitional		one, two, thr				
3rd Floor	child development (age	5+1	one, two, thr		studios; one, two, three - BR studios; one, two, three - BR		
2nd Floor	child development (age		parking spa	and the second contract of the second contrac		one, two, three - BR	
1st Floor	child dev/commodities		parking spa	terrorre e como e como e como e c	parking spaces		
P1 Below ground	parking spaces		parking spa			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
P2 Below ground	· · · · · · · · · · · · · · · · · · ·		parking spa	marrowal core a core a core		VA	
Net Leasable Space	155,892	_ (					
Common, Mechanical & Circulation	61,058						_
Total Gross Residental Area	216,950		<del> </del>				
Parking	36,173		<b></b>			.	
Child Development/Commodities	36,173 37,167		ļ				
Other Uses	73,340		ļ			_	
Total	e 💸 e e e e e e e e e e e e e e e e e e						
10101	290,290	5.I.	.t				.

### EXHIBIT F

### SCHEDULE OF PERFORMANCE

COMPLETION DATE	ACTION
Execution of Agreement	Developer will commence preparation of schematic design of Project
Within days after Developer's receipt of the Initial Deposit	Developer will submit schematic design drawings to the Commission for its approval.
Within days after Commission's approval of Developer's schematic design drawings	Developer will submit such drawings and its application for a Centre City Development Permit (the "Permit") for the Project to CCDC.
Within days after CCDC's approval of the Permit	Developer will submit construction drawings to the Commission for approval.
Within days after Commission's approval of Developer's construction drawings	Developer will submit such construction drawings to CCDC and the City in connection with an application for a building permit for the Project.
At earliest possible date	Developer will obtain the building permit for the Project.
At earliest possible date	Developer will apply for, process and obtain any other permits or approvals necessary for the Project.
Within days after receipt of a building permit for the Project	Developer will commence construction of the Project.
Within months after receipt of a building permit for the Project	Developer will complete construction of the Project

#### **EXHIBIT G**

#### **DECLARATION**

#### **EXHIBIT H**

### DEED OF TRUST

#### EXHIBIT I

#### **ESCROW INSTRUCTIONS**

, 200	
Chicago Title Insurance Company 701 B Street, Suite 1700 San Diego, CA 92101 Attention: Jackie Wondrash	
Re: Affordable Housing Agreement (Ballpark Village)	
Dear Jackie:	
These escrow instructions are delivered to you pursuant to Section 4 of that certain Housing Agreement (Ballpark Village) (the "Agreement") dated as of, a green amon Ballpark Village LLC, a Delaware limited liability company (the "Participant" Housing Commission (the "Commission"), the Redevelopment Agency of the City of (the "Agency"), and, a limited partnership (the "Developer"). terms used in these instructions but not defined herein have the meanings given such Agreement.	2005 by and ), San Diego of San Diego Capitalized
The Participant either has delivered to you or will deliver to you, prior to or concuthe delivery of a fully-executed copy of the Agreement, the Initial Deposit of \$100 (as defined below). You are hereby instructed by the parties to deliver the Initial Developer upon your receipt of a fully-executed copy of the Agreement.	000 in Cash
Before CCDC approves a Centre City Development Permit for the Project, the Par	

Before CCDC approves a Centre City Development Permit for the Project, the Participant will deliver to you the Second Deposit of \$400,000 in Cash. You are hereby instructed by the parties to deliver the Second Deposit to the Developer upon your receipt of either a copy of the Permit or written notice signed by CCDC that such Permit has been approved.

Before the City issues a building permit for the Project, the Participant will deliver to you: (a) written notice of its and the Commission's good-faith estimate of the Full In-Lieu Fee (the "Estimated Full In-Lieu Fee"), and (b) the Estimated Full In-Lieu Fee, less \$500,000, in Cash. You are hereby instructed by the parties to deliver such funds to the Developer upon your receipt of either a copy of the building permit issued for the Project, or written notice signed by the parties that such building permit has been issued.

The Participant shall deposit all funds in Cash. "Cash" means (i) currency, (ii) checks currently dated, payable to Escrow Agent, and honored upon presentation for payment, (iii) amounts credited by wire-transfer into Escrow Agent's bank account, or (iv) if monies are deposited with

Escrow Agent within twenty (20) days before such funds are required to be deposited by the Agreement, funds in such form as Escrow Agent in its sole discretion requires. Cash deposited by the Participant will be invested and reinvested, in any certificate(s) of deposit, savings or other account(s) of any California state or federal savings and loan association or California state bank or national banking association, as the Participant may instruct Escrow Agent in writing. However, (i) no investment or reinvestment certificate or account will have a maturity date later than the Closing Date, (ii) no such certificate or account will exceed \$100,000 and (iii) the aggregate of certificate(s) and accounts issued by any one savings and loan association or bank will not exceed \$100,000. Absent written instructions, you will have no responsibility to invest or reinvest any asset held by it. All interest earned under such certificate(s) of deposit or account(s) will belong to the Participant.

Please notify the undersigned when you receive or disburse any funds described in these instructions.

The Developer is to pay all charges in connection with these instructions.

If there is any conflict between these instructions and any instructions received from any other interested party, do not proceed until you have contacted the undersigned, and the conflict has been resolved.

Changes in these instructions may be authorized only by written instructions from the undersigned.

Since	rely,
PART	ΓΙCIPANT:
	LPARK VILLAGE LLC, aware limited liability company
Ву:	Lennar Homes of California, Inc, a California corporation
	By: Its:
Ву:	JMIR-Ballpark Village LLC, a Delaware limited liability company
	By: JMIR Project Manager, LLC a Delaware limited liability company
	By:
DEVELO	PER:

[signatures continue on following page]

AGENCY:
REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO
By: Its: Name:
COMMISSION:
SAN DIEGO HOUSING COMMISSION
By:
Its:
Name:

#### EXHIBIT J

#### FINANCING PLAN

			Sour	ces of Finan	cing				Gap	)
# total units	Total Development Cost including land	FJV Land Value	Total Development Cost Excl. Land		Tax Credits	State Multifamily Housing Program	Development	Loan	Amount	% Gap
72	\$37,099,410	\$6,000,000	\$31,099,410	\$2,000,000	\$9,065,646	_	\$7,000,000	-	\$13,033,764	35%
77	\$34,568,333	\$6,000,000	\$28,568,333	\$9,000,000	\$10,051,076	\$3,435,779	-	\$3,300,433	\$2,781,044	8%
60	\$23,493,370	\$4,000,000	\$19,493,370	\$6,000,000	\$9,823,701	_	-	\$2,474,653	\$1,195,016	5%
209	\$95,161,113	\$16,000,000	\$79,161,113	\$17,000,000	\$28,940,423	\$3,435,779	\$7,000,000	\$5,775,086	\$17,009,824	

Other

Sources

\$3,500,000FJV Deferred Development

\$2,500,000AHP \$400,000HUD SHP

\$2,309,824Private Contributions

\$8,300,000Other Contributions

\$17,009,824

#### BALLPARK VILLAGE LLC

October 3, 2005 REVISION #1

San Diego Housing Commission 1625 Newton Avenue San Diego, CA 92113 Centre City Development Corporation 225 Broadway, Suite 1100 San Diego, CA 92101

Re: Ballpark Village; Off-Site Affordable Housing Alternative

Ladies and Gentlemen:

As requested, the following constitutes Ballpark Village LLC's ("BPV") proposal for complying with Chapter 14, Article 2, Division 13 of the San Diego Municipal Code (the "Ordinance"):

- 1. BPV will cause the construction of for-rent dwelling units (the "Restricted Units") which are affordable to households as required by the Ordinance on an off-site location within the Centre City community planning area. The number of Restricted Units will equal at least ten percent (10%) of the amount of the total dwelling units constructed within the Ballpark Village project.
- 2. Within ninety (90) days following approval of the Owner Participation Agreement, BPV will deliver the following items to San Diego Housing Commission and Centre City Development Corporation ("CCDC") staff:
- a. Title information and plat maps for the proposed location or locations of the Restricted Units;
- b. Basic conceptual design for the building or buildings in which the Restricted Units will be located, including without limitation, parking layout, ingress and egress, and any required first-floor retail configuration:
- c. Development budget and financing plan (including operating proformas) for the Restricted Units; provided that BPV shall not use or allow the use of local public funds to finance the Restricted Units; and
- d. Proposed mix of studio, one, two and three-bedroom Restricted Units.
- 3. The Housing Commission and CCDC will each review BPV's proposed location or locations of the Restricted Units and the items delivered by BPV pursuant to Section 2 above to determine: (i) whether the affordable housing project as described by such items complies with the Ordinance; (ii) whether such project is financially feasible; and (iii) whether such project complies with the requirements of the California Environmental Quality Act as it is implemented by the City of San Diego. Upon receipt of the Housing Commission's and CCDC's approval, BPV shall cause the Restricted Units to be constructed in accordance with the following:

San Diego Housing Commission Centre City Development Corporation October 3, 2005 Page 2 of 2

- a. The issuance of a building permit for the Restricted Units shall occur on or before the earlier of: (i) the issuance of building permits for construction of the number which represents 50% of the market-rate units within the Ballpark Village project; or (ii) a date which is eighteen (18) months after the receipt of the building permit for the first market-rate unit within the Ballpark Village project;
- b. Completion of construction of the Restricted Units shall occur upon the earlier of: (i) twenty-four (24) months after the issuance of building permits for the Restricted Units as described in Section 3(a) above, or (ii) the date which is two and one-half years after the earliest date described in Section 3(a) above;
- c. The issuance of building permits for the construction of the number which represents seventy-five percent (75%) of market-rate units for the Ballpark Village project shall not occur until the completion of the Restricted Units is authorized by the City; and
- d. Occupancy of the Restricted Units by persons meeting the requirements of the Ordinance and the Housing Commission shall occur not later than one hundred eighty (180) days after the completion of construction as described in Section 3(b) above.
- 4. BPV will assure the timely construction of the Restricted Units by the posting of a bond and the execution of agreements satisfactory to the President and CEO of the Housing Commission on or before the issuance of the first building permit for any unit in the Ballpark Village project.

The agreements among BPV, the Redevelopment Agency of the City of San Diego and the San Diego Housing Commission shall be memorialized in an affordable housing agreement with the Housing Commission's usual and customary contents.

Please call me if you have any questions or comments.

Very Truly Yours,

Ballpark Village LLC

Charles E. Black

cc: Ms. Pamela Hamilton

Mr. Larry Clemens

Mr. Mathew Packard

# FIRST AMENDMENT TO BALLPARK VILLAGE PROJECT COMMUNITY BENEFITS AGREEMENT

This First Amendment to Ballpark Village Project Community Benefits Agreement (this "Amendment") is made as of October \_\_\_, 2005 by and among Ballpark Village LLC, a Delaware limited liability company ("Developer") and A Community Coalition for Responsible Development (as defined in the Community Benefits Agreement, "ACCORD"), with respect to the following recitals of fact:

- A. Developer and ACCORD have entered into that certain Ballpark Village Project Community Benefits Agreement dated as of September 20, 2005 (the "Community Benefits Agreement").
- B. Developer and ACCORD desire to amend the Community Benefits Agreement as set forth below.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. **Amendment.** The definition of "Neighboring Communities" set forth in Article 2-Definitions is hereby deleted in its entirety and replaced with the following:

"Neighboring Communities" shall mean: (i) the area bounded by Highway 94 on the north, the San Diego Bay on the south, Interstate 15 on the east, and the Site, plus (ii) the Centre City community planning area.

- 2. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which may be deemed an original, but all of which shall constitute one and the same document.
- 3. **Full Force and Effect.** Except as expressly modified by this Amendment, the Community Benefits Agreement is unmodified and in full force and effect.
- 4. **Further Assurances.** The parties hereto agree to take such actions and execute such additional documents as are reasonably necessary to carry out the provisions of this Agreement.

[signature blocks begin on next page]

### DEVELOPER SIGNATURE PAGE

BALLPARK VILLAGE LLC, a Delaware limited liability company

Ву:	Lennar Homes of California, Inc., a California corporation					
	By: Its:					
Ву:	JMIR-Ballpark Village LLC, a Delaware limited liability company					
	By: JMIR Project Manager, LLC a Delaware limited liability company					
	By: Its:					

### ACCORD MEMBER ORGANIZATION SIGNATURE PAGE

a nonprofit corporation
By: Its:
THE SAN DIEGO ORGANIZING PROJECT a nonprofit corporation
By:
THE SAN DIEGO AUDUBON SOCIETY, a nonprofit corporation
By:
THE METROPOLITAN AREA ADVISORY COMMITTEE ON ANTI-POVERTY OF SAN DIEGO COUNTY, a nonprofit corporation
By:
THE UNITED AFRICAN AMERICAN MINISTERIAL ACTION COUNCIL, a nonprofit corporation
By:

### ACCORD MEMBER ORGANIZATION SIGNATURE PAGE

COMMUNITY HOUSING WORKS,
a nonprofit corporation
By: Its:
AFFORDABLE HOUSING COALITION OF SAN DIEGO COUNTY, a nonprofit corporation
By:
THE SAN DIEGO-IMPERIAL COUNTIES LABOR COUNCIL, a labor organization
By: Its:
THE SAN DIEGO BUILDING AND CONSTRUCTION TRADES COUNCIL, a labor organization
By:
SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 2028, a labor union
By:

### ACCORD MEMBER ORGANIZATION SIGNATURE PAGE

Its:
SHEET METAL WORKERS, LOCAL 206, a labor union
By:
SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 1877, a labor union
By:
ACORN, a nonprofit corporation
By: