

**ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT  
AND PURCHASE AND SALE AGREEMENT BY AND BETWEEN  
SSF PUC HOUSING PARTNERS, LLC AND BRIDGE HOUSING CORPORATION**

This Assignment and Assumption of Development Agreement and Purchase and Sale Agreement (this "Agreement") is entered into as of \_\_\_\_\_, 20\_\_ (the "Execution Date"), by and between SSF PUC Housing Partners, LLC, a Delaware limited liability company ("Assignor"), and BRIDGE Housing Corporation, a California nonprofit public benefit corporation ("Assignee"), collectively referred to herein as the "Parties," with reference to the following facts:

**RECITALS**

- A. Assignor has acquired, pursuant to that certain Purchase and Sale Agreement dated \_\_\_\_\_, 2020 (the "PSA") with the City of South San Francisco, a municipal corporation (the "City"), a legal and or equitable interest in that certain real property described in Exhibit A-1 to this Agreement (the "Property").
- B. Assignor intends to develop the Property pursuant to a Development Agreement with the City recorded as document number \_\_\_\_\_ in the official records of San Mateo County (the "DA") with a project (the "Project") described more particularly in the DA, and generally including 800 residential units, an approximately 8,307 square foot childcare center (the "Childcare Center"), an approximately 12,992 square foot commercial building (the "Market Hall"), landscaping and Park Improvements, and other improvements and Public Infrastructure. The DA also obligates Assignor to construct certain Offsite Improvements and to pay certain Impact Fees.
- C. Of the 800 residential units to be constructed in the Project, 158 are designated in the DA as below market rate units affordable to households with incomes at or below 80 percent (80%) of area median income, exclusive of the manager's unit ("Affordable Units"). The 158 Affordable Units shall be affordable to residents with incomes in the range of 30 to 80% AMI with an overall average for all units at 60% AMI. Construction of these Affordable Units is a material obligation of the Developer under the PSA and DA, and certain benefits under Government Code Section 65915 will inure to the Project because of the Affordable Units. The DA contemplates construction of a building identified as "Building C2" to house the Affordable Units, which will be constructed on a portion of the Project designated in the vesting tentative tract map for the project as "Parcel 1" and described more particularly in Exhibit A-2 to this Agreement.
- D. Assignor desires to assign Parcel 1 and its obligation to construct Building C2 to Assignee, and Assignee desires to accept the assignment of the same. The purpose of this Agreement is to memorialize said assignment and assumption of rights and obligations, to evidence site control of Parcel 1 by Assignee, and to delineate the Parties' respective obligations for development of the Project.

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

ARTICLE 1. RECITALS,  
DEFINITIONS, AND EXHIBITS

Section 1.1    Recitals.

The Parties hereby agree that each of the foregoing recitals is true and correct.

Section 1.2    Definitions.

The capitalized terms below shall have the following meanings:

(a) "Affiliate" shall mean, (i) a limited partnership in which Assignee is the managing general partner, formed for the purpose of leveraging tax credit financing for the development of Building C2; (ii) a limited liability company in which Assignee is the sole member, formed to be the managing general partner of such a tax credit limited partnership; or (iii) a tax credit limited partnership whose managing general partner is a limited liability company described in the previous clause or a corporation controlled by Assignee.

(b) "Affordable Units" is defined in Recital C.

(c) "Agreement" is defined in the opening paragraph.

(d) "Assignee" is defined in the opening paragraph.

(e) "Assignor" is defined in the opening paragraph.

(f) "Assignee Obligations" is defined in Section 4.1.

(g) "Assignor Obligations" is defined in Section 4.2.

(h) "Building C2" is defined in Recital C.

(i) "Childcare Center" is defined in Recital B.

(j) "City" is defined in Recital A.

(k) "Closing" shall have the meaning given in the PSA.

(l) "Conditions of Approval" shall mean requirements imposed by the City as a condition of any land use entitlement necessary for the development of the Project.

(m) "Consent " means the consent agreement to be executed by the City, attached hereto as Exhibit B.

(n) "DA" is defined in Recital B.

(o) "Developer" shall have the meaning given by the DA.

(p) "Effective Date" is defined in Section 5.6.

- (q) "Execution Date" is defined in the opening paragraph.
- (r) "Environmental Mitigation Measures" shall mean Conditions of Approval imposed upon the Project pursuant to the California Environmental Quality Act, as identified in an adopted Mitigation Monitoring and Reporting Program applicable to the Project.
- (s) "Impact Fees" shall mean a monetary exaction other than a tax or special assessment, whether established for a broad class of projects by legislation of general applicability or imposed on a specific project on an ad hoc basis, that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project, but does not include fees for processing applications for governmental regulatory actions or approvals.
- (t) "Market Hall" is defined in Recital B.
- (u) "Oak Avenue Extensions" means, collectively, the Oak Avenue Phase 1 Extension and Oak Avenue Phase 2 Extension, as defined in the DA and PSA.
- (v) "Offsite Improvements" shall mean Public Infrastructure, excluding Public Infrastructure to be constructed on the Property.
- (w) "PALE" shall mean the approximately 33,981 square feet of land designated in the vesting tentative tract map for the Project as the Public Access and Landscape Easement on BART Property, together with approximately 8,529 square feet of land owned by the City adjacent thereto, to be subject to an Encroachment and Maintenance Agreement.
- (x) "Parcel 1" is defined in Recital C.
- (y) "Parties" are defined in the opening paragraph.
- (z) "Park Improvements" means the landscaping, playground equipment, bioretention basins, emergency vehicle access, sidewalks, and other improvements proposed in the entitlement application for the Project to be constructed on the PALE.
- (aa) "Paseo" means the paseo to be constructed between the Project's residential buildings and along the southeastern edge of Parcel 1 and northwestern edge of Parcel 2, as depicted on the vesting tentative tract map for the Project. "Paseo" also includes an initial asphalt driveway that will be constructed in the location of the Paseo for emergency vehicle access prior to full build-out of the Paseo improvements.
- (bb) "Project" is defined in Recital B.
- (cc) "Property" is defined in Recital A.
- (dd) "PSA" is defined in Recital A.

(ee) "Public Infrastructure" shall mean infrastructure and other improvements constructed for use by, or for the benefit of, the general public, including, without limitation, utilities, sidewalks, roads, other rights of way, and Park Improvements.

### Section 1.3 Exhibits.

The following exhibits are attached to this Agreement, and are incorporated herein by this reference:

- Exhibit A-1: Legal Description of the Property
- Exhibit A-2: Legal Description of Parcel 1
- Exhibit B: City's Consent
- Exhibit C: Depiction of Portions of PALE to be Developed by each Party

## ARTICLE 2. ASSIGNMENT AND ASSUMPTION OF PSA

### Section 2.1 Assignment and Assumption.

Assignor hereby assigns and delegates to Assignee, and Assignee hereby accepts and assumes from Assignor, Assignor's rights, title, and interest under the PSA to acquire Parcel 1 from the City for the purpose of developing, constructing, owning, and operating Building C2.

### Section 2.2 Consideration.

At Closing, Assignee shall pay the City the Parcel 1 Purchase Price to acquire Parcel 1. The "Parcel 1 Purchase Price" is the lesser of \$2,200,000 or 20% of the Purchase Price paid under the PSA. If Assignee pays the City the Parcel 1 Purchase Price to acquire Parcel 1, Assignor agrees to repay Assignee the amount of the Parcel 1 Purchase Price, which obligation shall be secured by recording a deed of trust or other security instrument, to be approved as to form by the City Manager and City Attorney, in first lien position against the remainder of the Property (i.e., that part of the Property not including Parcel 1) at the time of Close of Escrow between Assignor and the City. Notwithstanding the forgoing if Assignor acquires the remainder of the Property (or a portion thereof), before Assignee acquires Parcel 1, then Assignor will pay to the City the Parcel 1 Purchase Price for the benefit of Assignee and Assignee shall pay the City \$1 to acquire Parcel 1.

### Section 2.3 Consent and Release by City (PSA).

The City's consent and release to this partial assignment and assumption of the PSA is set forth in the Consent. Parties hereby mutually acknowledge and agree to every provision of the Consent.

ARTICLE 3. ASSIGNMENT  
AND ASSUMPTION OF DA

Section 3.1    Assignment by Assignor.

Assignor hereby assigns and delegates to Assignee the rights, title, duties, and interest of the Developer under the DA with respect to the development of Parcel 1 and the construction of Building C2.

Section 3.2    Assumption by Assignee.

Assignee hereby accepts and assumes from Assignor, Assignor's rights, title, duties, and interest under the DA, as assigned under Section 3.1; provided, however, that Assignee's obligations under the DA are expressly limited to the Assignee Obligations, as set forth in Article 4.

Section 3.3    Consent and Release by City (DA).

The City's consent and release to this partial assignment and assumption of the DA is set forth in the Consent. Parties hereby mutually acknowledge and agree to every provision of the Consent.

ARTICLE 4. OBLIGATIONS OF THE PARTIES

Section 4.1    Assignee Obligations.

(a)    Assignee's obligations to develop the Project, perform Environmental Mitigation Measures and other Conditions of Approval, construct Offsite Improvements and other Public Infrastructure, and pay Impact Fees (the "Assignee Obligations"), shall consist of and be limited to the following obligations:

- (1)    To develop Building C2 to operate as an affordable housing project as set forth in the DA;
- (2)    To construct that portion of the Paseo located on Parcel 1;
- (3)    To construct those Park Improvements planned to be located on the portion of the PALE depicted on Exhibit C attached hereto, which is adjacent and to the southwest of Parcel 1;
- (4)    To construct any Public Infrastructure to be located on Parcel 1 and any Offsite Improvements required to be constructed by the Developer along that portion of the Mission Road right of way fronting onto Parcel 1;
- (5)    To construct a bicycle connection north of Building C2;
- (6)    Generally, to perform and comply with all Environmental Mitigation Measures and other Conditions of Approval that relate directly to the performance of the

foregoing obligations, including, in the performance of the Assignee Obligations, (i) compliance with the City's climate action plan; (ii) compliance with any transportation demand management or parking management plan for the Project; and (iii) compliance with any water quality control, flood control, engineering, or public safety conditions of approval; compliance with federal and state law, including but not limited to compliance with prevailing wage requirements and any obligation to obtain government approvals, with respect to Parcel 1 and Building C2; construction or undergrounding of any utility, but only directly serving Building C2 or located on Parcel 1 (subject to Government Code Section 66485, et seq.);

(7) To pay Impact Fees due and owing to the City pursuant to the DA for the 158 residential units to be constructed on Parcel 1, which are estimated as follows but will be finally determined at the time such Impact Fees are paid consistent with the provisions in the DA:

- (A) Sewer capacity fee: \$533,008,
- (B) Park impact fees: \$2,374,108,
- (C) Bike and pedestrian fees: \$20,066,
- (D) Public safety impact fee (police): \$26,686, and
- (E) Public safety impact fee (fire): \$62,268;

(8) To pay any other Impact Fees due and owing to any public agency other than the City for Parcel 1 or Building C2, whether calculated in proportion to the number of units in Building C2, the size of Parcel 1, or other measure that accounts for Assignee's proportional share of the fee; and

(9) To pay expedited plan check fees, but only if Assignee requests an expedited plan check.

(b) For greater clarity, and without limiting the generality of Subsection (a), Assignee shall not be responsible for, and the Assignee Obligations shall not include any obligations or requirements that do not directly relate to the development and operation of Parcel 1 and Building C2 or satisfaction of the obligations listed in Section 4.1(a). For non-exhaustive examples only:

(1) The performance of or compliance with any Environmental Mitigation Measure or Condition of Approval not directly relating to the development of Parcel 1 and Building C2 and the performance of the Assignee Obligations as defined in Section 4.1, including;

(2) The performance of any Environmental Mitigation Measure requiring construction of transportation Offsite Improvements, except any such improvements within the Mission Road right of way fronting Parcel 1 as provided in Section 4.1(a)(4), or requiring Assignee to fund more than its proportionate share of the cost of any such improvement;

(3) The construction of any improvement not described in Subsection (a), including, without limitation, (i) construction or undergrounding of any utility not on or serving Parcel 1 or Building C2; (ii) satisfaction of the Developer's public art commitment; or (iii) the construction of the Childcare Center, Market Hall, Oak Avenue Extensions, or other Project improvements or Off-Site Improvements to be located on any parcel other than Parcel 1, unless expressly identified in Subsection (a);

(4) The payment of any Impact Fee not described in Subsection (a); and

(5) Compliance with federal and state law, including but not limited to compliance with prevailing wage requirements and any obligation to obtain government approvals, except with respect to Parcel 1 and Building C2.

#### Section 4.2 Assignor Obligations.

Assignor shall be responsible for all obligations of the Developer, except for the Assignee Obligations, to develop the Project, perform and comply with Environmental Mitigation Measures and other Conditions of Approval, construct Offsite Improvements or other Public Infrastructure, and pay any and all Impact Fees associated with the Project (the "Assignor Obligations"). From and after the Effective Date, the Assignor shall not be responsible for the Assignee Obligations and Assignee shall not be responsible for performance of the Assignor Obligations.

### ARTICLE 5. MISCELLANEOUS

#### Section 5.1 Further Assurances.

The Parties agree to take such further actions as may be necessary or advisable to effectuate, confirm, or document the assignment and assumption contemplated hereby.

#### Section 5.2 City Consent to Further Assignment.

To the extent applicable, this Agreement may not be assigned without the written consent of the City consistent with the assignment provisions of the DA and PSA.

#### Section 5.3 Severability.

If any term 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 unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding, or unenforceability.

#### Section 5.4 Interpretation.

This Agreement shall be governed and interpreted in accordance with the laws of the state of California. This Agreement includes the contributions of both Parties, each of which is represented by competent counsel, and the rule stated in Civil Code Section 1654 that an agreement be construed against its drafter shall have no application hereto. Headings contained

in this Agreement are for convenience of reference only, and shall not alter the meaning of any provision hereof.

Section 5.5    Counterparts.

This Agreement may be executed in counterparts, each of which shall constitute one and the same instrument.

Section 5.6    Effective Date.

This Agreement shall be effective on the date fully executed by the Parties and the Consent has been duly executed by the City.

Section 5.7    Recordation.

Either this Agreement or a memorandum of this Agreement shall be recorded against the Property within ten (10) days of the Effective Date.

Section 5.8    Signatures.

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the Parties. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

**[Signatures on the Following Page]**



IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the Execution Date.

**ASSIGNOR:**

SSF PUC Housing Partners, LLC  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ASSIGNEE:**

BRIDGE Housing Corporation,  
a California nonprofit public benefit  
corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A-1**  
**PROPERTY LEGAL DESCRIPTION**

**EXHIBIT A-2**  
**PARCEL 1 LEGAL DESCRIPTION**

**EXHIBIT B**  
**CITY'S CONSENT AND RELEASE**

The City hereby consents to the assignment and assumption set forth in this Agreement, and further agrees as follows:

1. Parcel 1 shall be conveyed to Assignee separately from the remainder of the Property to allow construction of Building C2 as contemplated under the PSA and DA, even if Assignor fails to Close on the remainder of the Property under the PSA, the City will convey Parcel 1 to Assignee or an Affiliate thereof at Closing in consideration of the lesser of \$2,200,000 or 20% of the Purchase Price paid under the PSA for all Property.
2. Assignee's obligations to the City under the PSA, DA, or other Project entitlements shall be limited to the Assignee Obligations, regardless of whether the Assignor Closes on the remainder of the Property or the remainder of the Project is constructed.
3. The City hereby affirms that construction of the Affordable Units, as a component of the Project, is a priority for the City. It is the intent of the City that Assignee have the ability to develop Building C2 independently from the market rate components of the Project and at the earliest possible opportunity. If warranted by changed circumstances, and at the City's discretion, the City will work with Assignee in good faith to refine and further delineate Assignee's obligations hereunder.
4. From and after the Execution Date of this Agreement, Assignor is fully released from the Assignee Obligations, Assignee is fully released from the Assignor Obligations, a default by the Assignor will not constitute a default by Assignee, and a default by Assignee will not constitute a default by Assignor. Notwithstanding anything to the contrary in this Agreement, the PSA, or the DA, the City may not exercise any remedy, whether contractual, regulatory, or otherwise, (i) with respect to Assignor because Assignee defaults under the Assignee Obligations, or (ii) with respect to Assignee because Assignor defaults under the Assignor Obligations. The limitations contained herein shall include the failure of the Assignor or Assignee to Close or to commence and complete construction within any specified time periods.

**CITY OF SOUTH SAN FRANCISCO,**  
a municipal corporation

By: \_\_\_\_\_  
Mike Futrell, City Manager

ATTEST:

By: \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
City Attorney

**EXHIBIT C**

**DEPICTION OF PORTIONS OF PALE TO BE DEVELOPED BY EACH PARTY**

3426080.1