

Ronald D. Schivo (SBN 139524)
Ray Yetka (SBN 286820)
Utrecht & Lenvin, LLP
109 Stevenson Street, Floor 5
San Francisco, CA 94105
(415) 357-0600

Attorneys for Plaintiff
Humanmade
A California nonprofit corporation

ELECTRONICALLY
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Superior Court of California,
County of San Francisco

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CGC-23-605908

CALIFORNIA SUPERIOR COURT
SAN FRANCISCO COUNTY – UNLIMITED JURISDICTION

HUMANMADE, a California nonprofit
corporation

Plaintiff

vs.

150 HOOPER, INC., a California nonprofit
corporation; SFMADE, INC., a California
nonprofit corporation; PLACEMADE, a
California nonprofit corporation; and DOES
1-25.

Defendants

COMPLAINT FOR DAMAGES AND
INJUNCTIVE RELIEF

- (1) Fraudulently False Advertising
- (2) Unfair business practices, B&P §
17200 – Unfair Competition
- (3) Unfair business practices, B&P §
17200 – Fraud
- (4) Unfair business practices, B&P §
17200 – Unlawful
- (5) Conversion
- (6) Fraud – False Promise
- (7) Breach of Covenant of Good Faith
and Fair Dealing
- (8) Breach of Contract
- (9) Reformation of Contract

[Damages exceed \$25,000]

Plaintiff Humanmade (“Plaintiff”) alleges:

1. Plaintiff Humanmade is a California nonprofit corporation, with its principal office at 150 Hooper Street, Suite 400, San Francisco, CA 94107.
2. Defendant 150 Hooper Inc. is a California nonprofit corporation, with its principal office at 150 Hooper Street, Suite 200, San Francisco, CA 94107.
3. Defendant SFMade, Inc. is a California nonprofit corporation, with its principal office at 150 Hooper Street, Suite 200, San Francisco, CA 94107.
4. Defendant Placemade is a California nonprofit corporation, with its principal office at 150 Hooper Street, Suite 200, San Francisco, CA 94107.

1 5. The names of Defendants sued as “Does 1-25” are not known the Plaintiff at this
2 time. However, on information and belief, the fictitiously named defendants are each liable in
3 some way for the claims herein. Upon identification of any such defendant, Plaintiff will seek
4 leave to amend the complaint.

5 6. On information and belief, each of the defendants herein was an agent for the other
6 defendants in commission of the contract breaches and torts alleged herein, such that they are
7 jointly and severally liable for plaintiff’s claims. The named and fictitious defendants are referred
8 to collectively as “Defendants”.

9 7. Venue is proper in this Court, because this action concerns contracts which were
10 formed and to be performed in the City and County of San Francisco.

11 8. At all times relevant to this action, 150 Hooper Inc. has been the owner of the real
12 property located at 150 Hooper Street, San Francisco, California (the “Property”). The Property is
13 improved by a multi-unit industrial building. One such unit consists of the Fourth Floor (the
14 “Premises”).

15 9. 150 Hooper, Inc. acquired funds to develop the Property pursuant to a loan under
16 the federal New Market Tax Credit program pursuant to a “Community Benefits Agreement”
17 dated March 28, 2018, a copy of which is attached as Exhibit A. The Community Benefits
18 Agreement requires 150 Hooper, Inc. to lease units at the Property to locally owned businesses for
19 at least 25% below market rent.

20 10. By lease agreement dated July 2, 2018, Humanmade is a commercial tenant at the
21 Premises (the “Lease”, a copy of which is attached as Exhibit B).

22 11. Humanmade is a member of a class of intended third-party beneficiaries of the
23 Community Benefits Agreement – specifically, the provision which requires 150 Hooper, Inc. to
24 provide under market leases at the Property to a class of tenants who are locally owned businesses.
25 150 Hooper, Inc. marketed the Premises to tenants based on the promise of below market rent.
26 Furthermore, in its annual compliance statements under the Community Benefits Agreement, 150
27 Hooper, Inc. identifies its Lease to Humanmade as one of its qualifying below market tenancies.
28

1 12. Humanmade is a minority owned and operated organization that has spent
2 substantial time and money to develop a proprietary, “hard skills” manufacturing training program
3 called the Next Generation Manufacturing Training Program (“NGMT Program”), which includes
4 copyrighted materials, training curricula and other intellectual property developed and owned by
5 Humanmade.

6 13. Humanmade has used its NGMT Program to provide hands on manufacturing
7 training for individuals in minority, underprivileged and immigrant communities, so that that
8 graduates of Humanmade’s training programs are able to gain employment in higher paying
9 manufacturing jobs throughout the San Francisco Bay Area.

10 14. At no time has SFMade assisted in the development of Humanmade’s proprietary,
11 copyrighted NGMT Program — financially or otherwise.

12 15. SFMade is a 501(c)(3) nonprofit organization formed to support local
13 manufacturers who create jobs and career pathways for local residents who have overcome
14 barriers to employment for a more vibrant, equitable, and resilient economy.

15 16. SFMade originally collaborated with Humanmade to assist underprivileged,
16 minority and immigrant communities in San Francisco and throughout Bay Area. During this
17 collaboration, SFMade had nothing to do with the development and/or execution of hard skills/job
18 training programs – which was all performed by Humanmade. Rather SFMade’s role in assisting
19 underprivileged, minority and immigrant clients was mostly limited to placement services (*e.g.*,
20 assistance with creation of resumes and interview coaching). In spite of the previous collaboration
21 between SFMade and Humanmade:

22 a. All of the intellectual property associated with the NGMT Program has
23 always been owned exclusively by Humanmade. The NGMT Program has never been
24 owned by SFMade or anyone other than Humanmade.

25 b. Humanmade always performed the actual hands-on manufacturing training
26 using the NGMT Program and its own proprietary materials and equipment (*e.g.*, CNC
27 machining equipment, 3D printers, etc.).
28

1 c. Although SFMade wrote grant proposals and solicited contributions from
2 industry partners and municipalities to help fund the manufacturing training program that
3 implemented Humanmade's proprietary NGMT Program, Humanmade – not SFMade –
4 developed the NGMT Program training materials and executed the job skills training.

5 d. Again, SFMade's primary involvement in its collaboration with
6 Humanmade consisted of assisting some graduates of Humanmade's NGMT Program to
7 obtain permanent employment, through assistance with resumes, interviewing and job
8 placement.

9 17. Since at least 2020, SFMade repeatedly made false representations to the public
10 and Humanmade's prospective funding sources that SFMade owns the NGMT Program:

11 a. SFMade wrote grant proposals and formed partnerships that represented
12 that Humanmade would perform hard skills/manufacturing training without actually
13 informing or involving Humanmade; and while falsely representing to third parties that
14 SFMade had the ability to deliver the training.

15 b. SFMade has also falsely represented that SFMade – not Humanmade –
16 performed hard skills/manufacturing training in the past.

17 c. SFMade has falsely represented that it – not Humanmade – developed and
18 owns the "Next Generation Manufacturing Training Program" (*i.e.*, Humanmade's
19 proprietary NGMT Program) to perform hard skills/manufacturing training.

20 18. On February 19, 2020, SFMade announced it had received funding from the San
21 Francisco Foundation to connect HOPE SF residents to "next generation #manufacturing #jobs."
22 At that point, SFMade asked Humanmade to train HOPE SF residents in Humanmade's
23 proprietary NGMT Program. At no time was Humanmade informed of the grant or grant
24 requirements, nor did Humanmade receive any funding, despite being asked to fulfill the actual
25 work required to support the grant.

26 19. Around April 2021, SFMade made a proposal to Mercy Housing ("MHC") for
27 MHC's "Pier 70" development located at 901 Illinois Street in San Francisco, which represented
28 that SFMade would deliver Humanmade's NGMT Program to Mercy Housing residents; however,

1 SFMade never informed Humanmade about the proposal. From the MHC Pier 70 4.B Vision
2 Statement:

3
4 MHC in partnership with SFMade / HumanMade is proposing an extension of its
5 workforce development program that will link residents to the PDR opportunities
6 adjacent to the project. Per the Pier 70 DDA, Brookfield will develop 50,000 qsf
7 of PDR restricted space. The partnership with SFMade will train residents on light
8 manufacturing skills, 3D printing and will end with an industry recognized
9 certification. SFMade will be a partner in job placement opportunities and
10 exposing residents to their larger network.

11 20. Humanmade first heard about MHC/Pier 70 proposal when Humanmade's CEO
12 Ryan Spurlock was introduced to the Pier 70 team by Kate Sofis upon her departure from
13 SFMade. Prior to this, and despite being part of the vision statement, Mr. Spurlock had no
14 previous knowledge that Ms. Sofis and SFMade had promised Mercy Housing that Humanmade
15 would participate in in the project.

16 21. On June 1, 2021, SFMade, Humanmade and Goodwill SV, entered into a joint
17 Memorandum of Understanding (the "MOU") to implement a training program in which
18 Humanmade would provide job skills training with its NGMT Program. The MOU provided:

19 The Parties are committed partners in creating a pilot initiative to develop an
20 advanced manufacturing technical skills training program for adults to begin
21 careers in manufacturing.

22 Humanmade will provide the curriculum and instructor for this program.

23 Humanmade will develop and implement, through their instructor, curriculum that
24 will develop the skills necessary for program participants to find meaningful
25 employment at a San Jose based manufacturer.

26 The only role of SFMade (and its subsidiary MFG:SJ) was to:

27 [A]ct as the initiative coordinator and . . . recruit local manufacturers to hire 10
28 trained participants upon completion of the program.

29 22. Around the time of the drafting of the MOU, SFMade improperly sought to
30 appropriate the NGMT Program from Humanmade.

31 23. Around that time (June 2021), SFMade also started to try to take over
32 Humanmade's Makerspace Managed Services role. SFMade asked Ryan Spurlock to give a tour
33 of Humanmade's facilities to the City of Napa, during which SFMade proposed that Humanmade

1 provide managed services for Napa. However, SFMade took that contract for itself, despite having
2 no experience in maker space management. A short time later, SFMade's George Colon pressed
3 Ryan Spurlock to give SFMade an unrestricted copy of Humanmade's proprietary and copyrighted
4 NGMT Program, as well as access to proprietary processes with respect to how Humanmade runs
5 its maker space. In particular, Colon wanted to know Humanmade's staff roles, responsibilities,
6 day-to-day shop operations, social media, and how Humanmade pitches and sells its managed
7 services. Mr. Spurlock made it clear that all of that information (including the copyrighted NGMT
8 Program) was intellectual property owned by Humanmade.

9 24. Shortly thereafter, SFMade's Michael Erickson told Mr. Spurlock that Erickson
10 could just take Humanmade's NGMT Program and do the hard skills/manufacturing training
11 program without Humanmade's consent or participation.

12 25. Around that same time, Erickson also tried to poach NGMT Program instructors
13 from Humanmade.

14 26. SFMade and its subsidiary MFG:SJ then improperly conspired to cut Humanmade
15 out of the Goodwill SV project, even though the MOU for the project stated that SFMade,
16 Humanmade and Goodwill SV were "committed partners in creating a pilot initiative to develop
17 an advanced manufacturing technical skills training program for adults to begin careers in
18 manufacturing." The MOU also stated that Humanmade – not SFMade or MFG:SJ – would
19 develop and implement the training curriculum and provide an instructor. These actions by
20 SFMade and MFG:SJ were calculated to cut Humanmade out of the Goodwill SV project so that
21 SFMade could grab all of the project funding for itself – even though neither SFMade nor MFG:SJ
22 had the ability to actually deliver the hard skills/manufacturing training without stealing
23 Humanmade's proprietary NGMT Program and related training materials and poaching
24 Humanmade's instructors.

25 27. In fact, MFG:SJ/SFMade hired a contractor named Gordon Kirkwood to provide
26 the hard skills/manufacturing training for the Goodwill SV project. Mr. Kirkwood reached out to
27 a Humanmade trainer for guidance on how to do the training. He also told the Humanmade trainer
28

1 that SFMade and MFG:SJ cut ties with Humanmade so that SFMade could “retain the IP” – an
2 obvious reference to SFMade’s theft of Humanmade’s proprietary NGMT Program.

3 28. On its website – and presumably in grant applications and other public and private
4 statements – SFMade has falsely claimed credit for Humanmade’s proprietary workforce
5 development and training programs, including the NGMT Program. In the May 26, 2021 version
6 of SFMade’s website, the bio of its founder Kate Sofis, stated:

7 SFMade’s workforce development and training programs helped thousands of
8 low-income adults and youth find full-time employment, paid internships, and
9 manufacturing career education, ultimately cultivating pathways to economically
sustainable livelihoods for our most vulnerable communities.

10 29. Not only has SFMade *not* helped “thousands” of individuals through “workforce
11 development and training programs” – an obvious lie – SFMade has no programs or ability to
12 provide “manufacturing career education.” Rather, it is *Humanmade’s* proprietary NGMT
13 Program (*i.e.*, the hard skills/manufacturing training) that has assisted many minorities,
14 disadvantaged and homeless individuals to receive career training for CNC and additive
15 manufacturing jobs.

16 30. In publicizing an award SFMade received from Jewish Vocational Services (JVS),
17 SFMade’s website also includes a video in which SFMade falsely claims credit for performing
18 hard skills/manufacturing training that was performed by *Humanmade* – in Humanmade’s
19 facility, using Humanmade’s equipment and Humanmade’s proprietary NGMT Program.

20 31. MFG:SJ received an award from ACSA in 2022 for the work done with MetroED
21 and Goodwill. An article about the award stated that that MFG:SJ received \$1.2 million in grant
22 funding for the work they did in San Jose. While the article mentions MFG:SJ’s small business
23 support and CNC training, MFG:SJ unquestionably stole the CNC training from Humanmade’s
24 proprietary NGMT Program. MFG:SJ and SFMade continue to raise significant funds through the
25 unauthorized copying and use of the NGMT Program.

26 32. In SFMade’s 2021 manufacturing report, which they published two months after
27 receiving a cease and desist letter from Humanmade, SFMade stated that “SFMade’s Next
28 Generation Manufacturing Training Program offers a 12-week 3D printing class that is also held

1 in the evenings.” In fact, the “Next Generation Manufacturing Training Program,” the NGMT
2 Program, does not belong to SFMade – it belongs to Humanmade. SFMade blatantly takes credit
3 for the NGMT Program knowing that SFMade did not develop it, nor did it actually perform the
4 training pursuant to the Program – Humanmade did.

5 33. SFMade made the false representations described above in order to promote its
6 own business, obtain its own funding, and boost its own standing in the field – while intentionally
7 excluding Humanmade from all of those opportunities. At no time has SFMade delivered any
8 workforce development and/or manufacturing training program, as SFMade has falsely
9 represented to the public on multiple occasions. Only Humanmade has the right to reproduce and
10 use its proprietary NGMT Program training materials, and only Humanmade has the expertise and
11 ability to perform the training.

12 34. SFMade and its founder Kate Sofis repeatedly abused their insider position to
13 enrich SFMade and its affiliates:

14 a. Ms. Sofis was an initial member of the Humanmade board of directors. She
15 used her position on the board to enrich SFMade by encouraging Humanmade to take
16 actions that benefitted SFMade. Ms. Sofis revealed confidential discussions about
17 Humanmade’s relationship with Bridge Housing to George Colon, who then sought to
18 assume that opportunity for the benefit of SFMade. Ms. Sofis advised Humanmade that it
19 was required to pay 50% rent during the covid-19 commercial eviction moratorium,
20 knowing that Humanmade did not have the resources to pay, and that all rent was actually
21 deferred to October 2023.

22 b. SFMade, through its affiliate 150 Hooper Inc, used its position as
23 Humanmade’s landlord to attempt to secure rights to the NGMT Program. 150 Hooper
24 Inc. threatened eviction during the covid-19 eviction moratorium, and demanded rent that
25 it knew was either deferred or waived. In settlement negotiations concerning Lease issues,
26 150 Hooper Inc. demanded that Humanmade withdraw its demand that SFMade “Cease
27 and Desist” use of the NGMT Program. 150 Hooper Inc also invaded Humanmade’s
28 premises to provide information about Humanmade’s operations to SFMade.

1 c. SFMade owed fiduciary duties to Humanmade, as a fiscal sponsor of
2 Humanmade's newly formed nonprofit entity. A fiscal sponsor is a nonprofit organization
3 that provides fiduciary oversight, financial management, and other administrative services
4 to help build the capacity of charitable projects. SFMade abused this position by
5 encouraging self-dealing to benefit Defendants (such as entering into the lease with 150
6 Hooper Inc, when there was a more favorable lease opportunity available), and positioning
7 Defendants to appropriate Humanmade's proprietary NGMT Program and drive
8 Humanmade out of business.

9 d. Ms. Sofis is now the Executive Director of the San Francisco Mayor's
10 Office of Economic and Workforce Development, the agency charged with supervising
11 loans to nonprofits including Humanmade. Ms. Sofis is abusing her official position to
12 require Humanmade to provide tours of its space and demonstrations of its programs to
13 business associates of SFMade.

14 35. On information and belief, Defendants continue to falsely misrepresent facts about
15 Humanmade to Humanmade's prospective sources of funding, and Defendants continue to
16 improperly appropriate Humanmade's NGMT Program and related intellectual property for
17 Defendants' own business.

18 **FIRST CAUSE OF ACTION**
19 **Fraudulently False Advertising**
20 **Against all Defendants**

21 36. The foregoing paragraphs 1 through 35 are incorporated by reference as if fully set
22 forth herein.

23 37. By claiming in its business solicitations that it owned the NGMT Program,
24 including Plaintiff's proprietary training program, Defendants falsely advertised the NGMT
25 Program and the training program as its own.

26 38. Defendants' representations were false, in that the NGMT Program and related
27 materials were owned by Plaintiff, and only Plaintiff had the ability to implement the training
28 program.

1 39. Defendants made the representations with the intention of inducing the public to do
2 business with Defendants and not Plaintiff.

3 40. In reliance on Defendants' advertisements, Goodwill SV and Jewish Vocational
4 Services (JVS) paid Defendants (and not Plaintiff) to use the NGMT Program and implement the
5 training program.

6 41. When Defendants made the advertisements, Defendants knew the advertisements
7 were false.

8 42. Defendants made the advertisements with the intention of depriving Plaintiff of its
9 proprietary NGMT Program and to drive Plaintiff out of business.

10 43. As a direct and proximate result of Defendants' false advertisements, Plaintiff was
11 damaged by being deprived of income that would have inured to Plaintiff for using its NGMT
12 Program, and Plaintiff suffered the loss of goodwill that it would have obtained had it received
13 credit for the use of its NGMT Program.

14 **SECOND CAUSE OF ACTION**
15 **Unfair Competition [BPC 17200]**
16 **Against all Defendants**

17 44. The foregoing paragraphs 1 through 35 are incorporated by reference as if fully set
18 forth herein.

19 45. By claiming that it owned the NGMT Program, and by obtaining business for itself
20 based on the NGMT Program, Defendants engaged in unfair competition, as defined by Business
21 and Professions Code section 17200.

22 46. Defendants' practices of claiming the NGMT Program as its own were and are
23 likely to mislead the general public and therefore constitute unfair and misleading practices within
24 the meaning of Business and Professions Code section 17200.

25 47. Defendants' unfair and unlawful business practices are likely to continue and will
26 continue to mislead the public, and therefore constitute a threat to the public.

27 48. Defendants engaged in unfair business practices with the intention of depriving
28 Plaintiff of its NGMT Program and to drive Plaintiff out of business.

1 49. As a direct and proximate result of Defendants' conduct, Defendants have received
2 and continue to receive income that would have inured to Plaintiff for using its NGMT Program,
3 and Plaintiff suffered the loss of goodwill that it would have obtained had it received credit for the
4 use of its NGMT Program.

5
6 **THIRD CAUSE OF ACTION**
7 **Unfair Competition (Fraud) [BPC 17200]**
8 **Against all Defendants**

9 50. The foregoing paragraphs 1 through 35 are incorporated by reference as if fully set
10 forth herein.

11 51. By claiming that it owned the NGMT Program, and by obtaining business for itself
12 based on the NGMT Program, Defendants engaged in unfair competition, as defined by Business
13 and Professions Code section 17200.

14 52. Defendants committed fraudulent business practices by intentionally
15 misrepresenting to the public that it owned the NGMT Program; the misrepresentations were
16 material; and the public reasonably relied on the misrepresentations by doing business with
17 Defendants instead of Plaintiff.

18 53. Defendants' fraudulent business practices are likely to continue and will continue
19 to mislead the public, and therefore constitute a threat to the public.

20 54. Defendants engaged in fraudulent business practices with the intention of depriving
21 Plaintiff of its NGMT Program and to drive Plaintiff out of business.

22 55. As a direct and proximate result of the Defendants' conduct, Defendants have
23 received and continue to receive income that would have inured to Plaintiff for using its NGMT
24 Program, and Plaintiff suffered the loss of goodwill that it would have obtained had it received
25 credit for the use of its NGMT Program by Defendants.

26 **FOURTH CAUSE OF ACTION**
27 **Unfair Competition (Unlawful) [BPC 17200]**
28 **Against all Defendants**

 56. The foregoing paragraphs 1 through 35 are incorporated by reference as if fully set
forth herein.

**SIXTH CAUSE OF ACTION
Fraud – False Promise
Against all Defendants**

68. The foregoing paragraphs 1 through 35 are incorporated by reference as if fully set forth herein.

69. Defendants made a promise to Plaintiffs that the rent for the Premises would be at least 25% below market.

70. Defendant did not intend to perform that promise when they made it.

71. Defendants intended that Plaintiff rely on the promise.

72. Plaintiff reasonably relied on Defendants' promise, by entering into the Lease.

73. Defendants did not perform the promised act, because the Lease does not provide for the rent to stay at least 25% below market.

74. Plaintiff was harmed by paying rent above 75% of market rate.

75. Plaintiff's reliance on Defendants' promise was a substantial factor in causing its harm, because it would not have entered the Lease but for a promise that the rent would be at least 25% below market.

**SEVENTH CAUSE OF ACTION
Breach of Covenant of Good Faith and Fair Dealing
Against all Defendants**

76. The foregoing paragraphs 1 through 35 are incorporated by reference as if fully set forth herein.

77. Plaintiff and Defendants entered into the Lease.

78. Plaintiff did all, or substantially all of the significant things that the Lease required it to do or it was excused from having to do those things.

79. All conditions required for Defendants' performance occurred or were excused.

80. Defendants acted to prevent Plaintiff from securing adequate financing for its operation at the Premises, including by slandering Plaintiff and stealing Plaintiff's NGMT Program.

81. By doing so, Defendants did not act fairly and in good faith.

1 82. Plaintiff was harmed by Defendants' conduct.

2 **EIGHTH CAUSE OF ACTION**
3 **Breach of Contract**
4 **Against all Defendants**

5 83. The foregoing paragraphs 1 through 35 are incorporated by reference as if fully set
6 forth herein.

7 84. The Community Benefits Agreement requires Defendants to offer leases at the
8 Property with "flexible lease rates to locally owned businesses at a rate of at least 25% below
9 market".

10 85. At commencement, the monthly rent under Plaintiff's lease for the Property was
11 more than 75% of the prevailing market rate for similar space, and has continued to be more than
12 75% of the prevailing market rate. As of the filing of this action, Plaintiff's rent is more than
13 100% of the prevailing market rate.

14 86. Plaintiff is not a party to the Community Benefits Agreement. However, Plaintiff
15 is entitled to damages for breach of the Community Benefits Agreement as an intended third-party
16 beneficiary, because a motivating purpose of the parties to the Community Benefits Agreement
17 was for locally owned businesses, such as Plaintiff, to benefit from under market rent.

18 87. Plaintiff has been damaged by Defendants' breach of the Community Benefits
19 Agreement in the amount of all rent collected under its lease for the Property that exceeded 75%
20 of the prevailing market rate at that time.

21 **NINTH CAUSE OF ACTION**
22 **Reformation of Contract**
23 **Against all Defendant 150 Hooper Inc.**

24 88. The foregoing paragraphs 1 through 35 are incorporated by reference as if fully set
25 forth herein.

26 89. Lease does not truly express the intention of the parties, because their agreement
27 was for rent to be at least 25% below prevailing market rate at all times during the term of the
28 Lease.

1 90. The Lease fails to describe the parties' true agreement regarding rent due to
2 Defendant 150 Hooper Inc's fraud, a mutual mistake, or the mistake of Plaintiff Humanmade
3 which Defendant 150 Hooper Inc. knew or suspected.

4 91. Plaintiff Humanmade applies to reform the Lease so as to express the true intention
5 of the parties.

6 **PRAYER FOR RELIEF**

7 WHEREFORE, plaintiff requests:

8 1. During the pendency of this action, a preliminary injunction pursuant to Business
9 and Professions Code section 17203 to enjoin and restrain Defendants from the acts of unfair
10 competition set forth above;

11 2. A permanent injunction pursuant to Business and Professions Code section 17203
12 restraining and enjoining Defendants from continuing the acts of unfair competition set forth
13 above;

14 3. Reformation of the Lease to limit the monthly rent to 25% below market.


15 4. Special damages and general damages in amount to be proven at trial;

16 5. Costs of suit;

17 6. Such other relief as the Court deems appropriate.

18
19
20 Date: April 18, 2023

UTRECHT & LENVIN LLP



Ronald D. Schivo
Attorneys for Plaintiff
Humanmade

EXHIBIT A

COMMUNITY BENEFITS AGREEMENT

THIS COMMUNITY BENEFITS AGREEMENT (this "**Agreement**") is made and entered into as of March 28, 2018, by and among SFCIF Sub CDE 7, LLC, a California limited liability company ("**SFCIF Sub CDE**" and "**SFCIF Lender**"), COCRF Sub CDE 71, LLC, a Delaware limited liability company ("**COCRF Sub CDE**" and "**COCRF Lender**" and collectively with SFCIF Lenders "**Lenders**"), 150 Hooper, Inc., a California nonprofit public benefit corporation (the "**Borrower**") and PlaceMade, a California nonprofit public benefit corporation (the "**Sponsor**" and together with the Borrower, the "**NMTC Beneficiary**").

Recitals

A. San Francisco Community Investment Fund, a California nonprofit public benefit corporation ("**SFCIF**"), received a \$45,000,000 allocation of New Markets Tax Credits ("**NMTCs**") from the Community Development Financial Institution Fund (the "**CDFI Fund**") in the combined CY 2015-2016 allocation round.

B. Capital One Community Renewal Fund, LLC, a Delaware limited liability company ("**Capital One**"), received a \$90,000,000 allocation of New Markets Tax Credits ("**NMTCs**") from the Community Development Financial Institution Fund (the "**CDFI Fund**") in the combined CY 2015-2016 allocation round.

C. Under the terms and conditions applicable to the NMTC program and the respective Allocation Agreements between SFCIF and the CDFI Fund, SFCIF sub-allocated \$23,400,000 of NMTCs to SFCIF Sub CDE, each sub-allocation was made in connection with the loan in the amount of \$22,698,000, (the "**Loan**") provided by SFCIF Lender to Borrower under the Loan Agreement (the "**Loan Agreement**") dated as of even date herewith between Lenders and Borrower to construct and lease improvements to the 150 Hooper (PlaceMade) (the "**Project**") as further described in the Loan Agreement and related documents between Lenders and Borrower to be signed and delivered in connection with the Loan.

D. Under the terms and conditions applicable to the NMTC program and the respective Allocation Agreements between Capital One and the CDFI Fund, Capital One sub-allocated \$1,000,000 of NMTCs to COCRF Sub CDE, the sub-allocation was made in connection with the loan in the amount of \$1,000,000, (the "**Loan**") provided by COCRF Lender to Borrower under the Loan Agreement (the "**Loan Agreement**") dated as of even date herewith between Lenders and Borrower to construct and lease improvements to the 150 Hooper (PlaceMade) (the "**Project**") as further described in the Loan Agreement and related documents between Lenders and Borrower to be signed and delivered in connection with the Loan.

E. The parties understand and acknowledge that at least 60% of the Borrower's current employees are individuals who, at the time they were hired by the Borrower, had a median family income, as adjusted for family size, that is not greater than 80% of the Metropolitan Area median family income. In addition, the parties also understand and acknowledge that once the Project is completed and the Borrower is able to lease commercial space to tenants, the total gross income to be received by the Borrower will be derived from rental income from tenants whose current workforce comprises of at least 60% of employees who, at the time they were hired by such tenant, are individuals who have a median family income, as adjusted for family size, that is not greater than 80% of the Metropolitan Area median family income. The availability of NMTCs has enabled the Lenders to provide the Loan on terms and conditions that are flexible and non-conventional, including interest rates that are at least 50% lower than the prevailing market rates for the same product.

F. NMTC Beneficiary acknowledges that the Lenders agreement to execute the Loan Agreement and make the Loan is expressly predicated upon (1) NMTC Beneficiary's agreement to sign, deliver and perform this Agreement, (2) certification that the Borrower is a "qualified active low-income community business" ("**QALICB**") as defined in Section 45D of the U.S. Internal Revenue Code and applicable regulations and meets the targeted population requirements in accordance with Treasury Regulation Section 1.45D-1(d)(9), (3) the significant community development benefits that will be delivered within the Project Area and other Low-income Communities as a result of the Project would not be possible without the NMTC financing provided by the Lenders, and (4) the significant benefits that will be delivered to Low-Income Persons within the Project Area and other Low-Income Communities.

G. Lenders and NMTC Beneficiary desire to enter into this Agreement to ensure that the expected benefits expected from the Loan will be achieved.

Accordingly, the parties agree as follows:

Agreement

1. **Definitions.** The following capitalized terms will have the following meanings in this Agreement:

(a) **"Employment Plan"** means the NMTC Beneficiary's written outreach and implementation plan to recruit and fill Permanent FTE Jobs and Predevelopment or Construction FTE Jobs that incorporates Job & Wealth Creation & Retention Benefits as provided under Section 2 of this Agreement. Such Employment Plan will include recruitment, outreach, and media efforts; training programs; internship programs. NMTC Beneficiary may consult with available resources including the City's Office of Economic and Workforce Development, Workforce Division and community based organizations to assist in efforts to reach residents of Low-Income Communities and Low-Income Persons in fulfilling the requirements of the Agreement.

(b) **"FTE"** means Full-Time Equivalent constituting permanent employment of at least 35 hours per week;

(c) **"New Hire"** means an employee that is not identified within the group of core workers for the either the General Contractor or Subcontractors as documented with City Build.

(d) **"Living Wages"** means compliance with the provisions of the Minimum Compensation Policy (the "MCO") and Health Care Accountability Policy (the "HCAO") (together, the "Policies") as set forth in San Francisco Administrative Code Chapters 12P and 12Q (the "Chapters"), including the remedies provided, and implementing guidelines and rules. The provisions of the Chapters are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO and the HCAO is available on the web at www.sfgov.org/olse/mco. Such compliance includes providing all "Covered Employees," as defined under Section 2.7 of the Policies, a minimum level of compensation and offering health plan benefits to such employees or to make payments to the City and County of San Francisco's Department of Public Health, or to participate in a health benefits program developed by the City and County of San Francisco's Director of Health. Living Wages to be calculated each year based on the current income limits.

(e) **"Locally Sourced"** means individuals that reside within the city limits of San Francisco, California.

(f) **"Low-Income Community" or "Low-Income Communities"** means any population census tract satisfying the definition of Low-Income Community under the New Markets Tax Credit program as set forth in Internal Revenue Code Section 45D(e), including any population census tract if (1) the poverty rate for such tract is at least 20%, or (2) (a) in the case of a tract not located within a metropolitan area, the median family income of such tract does not exceed 80% of statewide median family income, or (b) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80% of the greater of statewide median family income or the metropolitan area median family income;

(g) **"Low-Income Person" or "Low-Income Persons"** means any individual having an income, adjusted for family size, of not more than: (1) for metropolitan areas, 80% of the area median family income; and (2) for non-metropolitan areas, the greater of (a) 80% of the area median family income or (b) 80% of the statewide non-metropolitan area median family income;

(h) **"Partnerships Plan"** means the NMTC Beneficiary's written outreach and implementation plan to develop meaningful, authentic and significant local community based partners that incorporate the intended Community & Social Development Benefits and Partnerships Development Benefits as provided under Section 2 of this Agreement. Such Partnerships Plan will describe outreach and media efforts and use available resources including community based organizations to assist in efforts to reach residents of Low-Income Communities and Low-Income Persons.

(i) **"Permanent FTE Job"** means a job that is at least 24 months in duration and involves at least a 35-hour workweek;

(j) **"Predevelopment or Construction FTE Job"** means a job that is under 24 months in duration and results from the development of the Project or the financing of the Loan and one involving a 35-hour workweek;

2. **Community Impacts.** Following completion of the Project using the Loan, the NMTC Beneficiary will use diligent and good faith efforts to achieve the following impacts, which are based upon data collected and analysis performed by NMTC Beneficiary and Lenders, IMPLAN analysis attached as Exhibit A; and other available sources.

A. Job & Wealth Creation & Retention Benefits NMTC Beneficiary will provide (1) job & wealth creation & retention programming accessible to area low income household residents; and (2) temporary construction employment opportunities, permanent employment opportunities; and internship and apprenticeship programming and opportunities, with consideration to Locally Sourced hires, in partnership with community based organizations and in accordance with its Employment Plan and Partnerships Plan. NMTC Beneficiary shall use diligent and good faith efforts to:

(a) Create at least 150 Construction FTE Jobs, with a goal of at least 25% of all New Hires will be Locally Sourced in concert with its Employment Plan;

(b) Provide at least 100% of Construction FTE Jobs with wages at the California Department of Industrial Relations prevailing wage rate;

(c) Ensure all entry-level hires through the building utilize First Source Hiring, to be provided through SFMade's Hiring Made Better program applying the same First Source Hiring obligations through a workforce program that is customized to the manufacturing sector;

(d) Through the tenants of the Project, retain at least 56 permanent FTE jobs, and create 14 new jobs. Of the new jobs, up to 9 are anticipated to be entry level and to be Locally Sourced, including consideration of residents of San Francisco's Bayview and Mission communities (zip codes 94124 and 94110). For all vacancies make good faith efforts to fill positions locally in concert with its Employment Plan in partnership with community based organizations;

(e) Create at least three (3) positions at the NMTC Beneficiary as described in Exhibit B. NMTC Beneficiary will make good faith efforts to fill all positions locally and fulfill the goal of 100% of entry level positions being Locally Sourced, including consideration of residents of San Francisco's Bayview and Mission communities (zip codes 94124 and 94110);

(f) Provide employees at the NMTC Beneficiary with Living Wages as described herein and the following benefits: medical, retirement plan, and vacation and sick leave;

(g) Provide for at least 25% Local Business Enterprise participation on NMTC Beneficiary-controlled contracts pursuant to the City and County of San Francisco's Local Business Enterprise Ordinance, Chapter 14B of the Administrative Code of the City and County of San Francisco, provide for at least 20% local business participation of construction subcontractors and over 50% local

business participation on soft cost contractors. Support these local businesses in becoming LBEs wherever possible.

(h) Provide 5 paid internships annually for local youth accounting for a total of 450 paid hours of youth work and training in manufacturing through SFMade's YouthMade program;

(i) Provide best practices for employee profit sharing and shared ownership structures. training workshop annually for 2 hours, open to all manufacturing companies in San Francisco;

(j) Three months prior to hire, provide Employment Plan to Lenders, including consideration of residents of San Francisco's Bayview and Mission communities (zip codes 94124 and 94110), residents of NMTC eligible census tracts in San Francisco and other City of San Francisco residents;

(k) By 3 months prior to project completion, provide written evidence to Lenders of documented effort to focus local hire jobs including consideration to residents of San Francisco's Bayview and Mission communities (zip codes 94124 and 94110), residents of NMTC eligible census tracts in San Francisco and other City of San Francisco residents; and

(l) Until maturity or redemption of the Loan, and by September 1 of each year, NMTC Beneficiary will incorporate its Job & Wealth Creation & Retention Benefits in its Community Benefits Report (as described in Section 4. Community Benefits Review).

Notwithstanding anything to the contrary contained herein, Lenders agrees and acknowledges that upon receipt of written documentation of NMTC's Beneficiary effort to coordinate hiring opportunities with organizations listed under Exhibit D subsections (g) and (h) above shall be deemed satisfied.

B. Economic Development. NMTC Beneficiary will (1) provide flexible lease rates to locally owned businesses at a rate of at least 25% below market; and (2) provide direct technical assistance to manufacturing companies on site at the Project including business assistance through parent organization, SFMade, and (3) provide sourcing assistance to manufacturing companies on site at the Project to connect to other manufacturers in the building and other locally owned businesses, and (4) host workshops providing training and business assistance to new and growing manufacturing companies. NMTC Beneficiary shall use diligent and good faith efforts to:

(a) Provide flexible lease rates to at least 10 locally owned businesses, 4 of which will be owned by minorities or women, at rates of at least 25% below market for a comparable product;

(b) Provide direct technical assistance annually to at least 7 locally owned manufacturing businesses, 2 hours of assistance per company for a total of 14 hours of business assistance annually, customized to meet each company's need, but could include advising on production process, human resources, marketing, and/or capital;

(c) Host 10 workshops annually on site to provide manufacturing businesses and prospective manufacturing businesses with critical information on how to start, grow and stay in San Francisco;

(d) By December 31, 2018, substantially complete improvements to the previous condition of the site, which was used for household storage in stackable shipping containers (a non-conforming use) and for open air truck rentals with no permanent structures on site. Substantially complete the Project of a 4-story 56,000SF industrial space.

(e) Until maturity or redemption of the Loan, and by September 1 of each year, NMTC Beneficiary will incorporate its Economic Development Benefits in its Community Benefits Report (as described in Section 4. Community Benefits Review).

C. Community & Social Development Benefits NMTC Beneficiary will (1) provide local youth access to, exposure to and tours of locally owned manufacturing businesses through SFMade's Inside Manufacturing Program; (2) community accessibility to the Project through tours; and (3) provide community access and connection through annual events. NMTC Beneficiary will use diligent and good faith efforts to:

(a) Provide direct access to local manufacturing companies to youth from local high schools such as: Phillip and Sala Burton Academic High School, John A. O'Connell High School and George Washington High School through SFMade's Inside Manufacturing program;

(b) Provide 2 Project tours a year to 20 youth on each tour through Inside Manufacturing;

(c) Provide 1 speaker from one of the locally owned manufacturing companies to Inside Manufacturing annually with programing on-site at the participating local high schools;

(d) Provide community access through 20 tours annually of the Project and a look inside manufacturing companies working in the building;

(e) Provide 1 annual event celebrating the local manufacturing sector highlighting job opportunities at tenant businesses;

(f) Provide written evidence of documented effort to partner with community based organizations to target youth programming with consideration to youth and families of San Francisco's Bayview and Mission communities (zip codes 94124 and 94110), residents of NMTC eligible census tracts in San Francisco and other City of San Francisco residents; and

(g) Until maturity or redemption of the Loan, and by September 1 of each year, NMTC Beneficiary will incorporate its Community & Social Development Benefits in its Community Benefits Report (as described in Section 4. Community Benefits Review)

D. Partnerships Development Benefits. NMTC Beneficiary shall use diligent and good faith efforts to:

(a) Consult with local stakeholders, residents, civic organizations and institutions, community based organizations, businesses, funders, customers, partners, clients, government officials, in the local San Francisco area;

(b) Incorporate planning efforts resulting from City and County of San Francisco government and other community planning processes;

(c) Develop community advisory board comprised of members of local workforce partners who will convene at the project twice annually to deepen relationships with local manufacturing companies, and learn about benefits of manufacturing employment, while advising on how to continue to make manufacturing jobs accessible;

(d) Partner with community based organizations, targeting organizations like, but not limited to, Arriba Juntos, Bayview Hunters Point YMCA, Enterprise for Youth, Goodwill, Hospitality House, Hunters Point Family Center, Jewish Vocational Services, Larkin Street Youth Services, Mission Economic Development Agency, Mission Hiring Hall, Inc., Mission Language and Vocational School, Mission Neighborhood Centers (MNC), MYEEP, Positive Resource Center (PRC), South of Market Community Action Network (SOMCAN), Swords to Plowshares, Tenderloin Tech Lab, The Women's Building, Young Community Developers, Inc. (collectively, "Partners") to enhance, develop and strengthen opportunities for youth and adults who are job seekers;

(e) Market NMTC Beneficiary programs and events to people in Partners;

(f) Three months after closing, development of a comprehensive outreach program in concert with Partners, where possible, that targets San Francisco low-income communities;

(g) Three months after closing, provide Partnerships Plan to Lenders to document effort to partner with community based organizations targeting youth programming with consideration to youth and families of San Francisco's Western Addition community (zip codes 94115 and 94117), residents of NMTC eligible census tracts in San Francisco and other City of San Francisco residents; and

(h) Until maturity or redemption of the Loan, and by September 1 of each year NMTC Beneficiary will incorporate its Partnerships Development Benefits in its Community Benefits Report (as described in Section 4, Community Benefits Review).

E. Environmental Sustainability. NMTC Beneficiary will (1) complete LEED Gold designated Project; (2) commit to energy use reduction; and (3) provide onsite recycling and waste reduction opportunities. NMTC Beneficiary shall:

(a) Conduct 1 annual workshop on sustainability in partnership with SFMade; and

(b) Through our partnership with PG&E, we will assist tenants conduct energy audits and to develop and implement energy savings strategies; and

(c) Provide recycling and composting opportunities; and

(d) Implement energy conservation in its operations; and

(e) Until maturity or redemption of the Loan, and by September 1 of each year, NMTC Beneficiary will incorporate its Environmental Sustainability Benefits in its Community Benefits Report (as described in Section 4, Community Benefits Review).

F. Other Benefits. Notwithstanding the foregoing, NMTC Beneficiary may provide other community and social benefits in connection with the Agreement.

3. Community Benefit Guarantee. The NMTC Beneficiary has agreed to place \$140,000 in a performance guarantee to ensure that the commitments contained in the CBA are achieved. The funds will be placed in an account as a condition of Closing (the "Community Benefit Guarantee Account").

Lenders will review NMTC Beneficiary's annual Community Benefits Report to ensure that NMTC Beneficiary has made appropriate efforts (as indicated in each section of this agreement) to achieve the community benefits as of the date of the Community Benefits Report.

Within sixty (60) days of receipt of the Community Benefits Report, Lenders will provide written notification to NMTC Beneficiary determining whether NMTC Beneficiary is successful in achieving a Substantial Amount of the community benefits described in its Community Benefits Report as of the date of the Community Benefits Report.

If SFCIF Lender determines NMTC Beneficiary is successful in achieving a Substantial Amount of the community benefits described in its Community Benefits Report, Lenders will cause the release of \$35,000 from the Community Benefit Guarantee Account to NMTC Beneficiary each year, per each annual Community Benefit Review and Annual Interview by the SFCIF Board of Directors.

If Lenders determine NMTC Beneficiary is unsuccessful in achieving a Substantial Amount of the community benefits described in its Community Benefits Report, Lenders will cause the release of the

Community Benefit Guarantee Account or otherwise set aside such amount for local community groups/individuals that would otherwise have been served by the Agreement.

4. **NMTC Compliance.** NMTC Beneficiary will designate a single staff member point of contact and community benefits liaison that will facilitate, collect and report community benefits information to Lenders.

5. **SFCIF Compliance.** The SFCIF will appoint compliance staff to ensure that NMTC Beneficiary's community benefits agreement is monitored on an annual basis, unless requested more frequently by the Lenders but in no event more frequently than quarterly pursuant to Section 6. Annual Interview.

6. **Community Benefit Review.** Until maturity or redemption of the Loan, and by September 1 of each year until the end of the compliance period, or such later date as Lenders may reasonably require pursuant to and in accordance with the QLICI Requirements (the "Reporting Term"), NMTC Beneficiary will provide an annual Community Benefits Report to Lenders describing the status and results of the community benefits directly related to the completion of the Project and the Loan for the previous year substantially similar to the form Exhibit C-1 and Exhibit C-2 attached hereto and incorporated herein by this reference, provided that NMTC Beneficiary hereby acknowledges and agrees that due to changes in governmental requirements that may occur or arise during the Reporting Term, the Community Benefit Report is subject to change at any time. NMTC Beneficiary will deliver to Lenders such other documents and materials that Lenders may reasonably request for the purpose of reviewing and assessing NMTC Beneficiary's community benefits activities.

7. **Annual Interview.** By September 1 and annually thereafter through the term of this Agreement, NMTC Beneficiary will meet with Lenders to discuss the status of the Project, the Community Benefits Report and the community impacts of the Project on an annual basis, unless requested more frequently by the Lenders but in no event more frequently than on a semi-annual basis.

In connection with each Annual Interview, upon the prior written request of Lenders of not less than sixty (60) days, NMTC Beneficiary will arrange for stakeholders benefiting from the Project to participate in each meeting.

8. **Multi-CDE Reporting.** SFCIF Sub CDE shall be designated as the lead CDE with respect to the Project (the "Lead CDE") and shall be responsible for all Project-related initial filing and reporting obligations as the same are contemplated and required by the CDFI Fund, and as provided for herein. It is expected that the Lead CDE shall use Exhibit E attached hereto in connection therewith.

9. **Disclosure.** NMTC Beneficiary agrees that the Lenders (and its affiliates) may use this Agreement and the information furnished under this Agreement by the NMTC Beneficiary for community reporting purposes to the CDFI Fund and Lenders investors and stakeholders. NMTC Beneficiary agrees that Lenders (and its affiliates) has the right to place advertisements on Lenders (and its affiliates) website and in financial and other newspapers and otherwise publicize the Project and the Loan, provided no confidential information of NMTC Beneficiary may be used in connection with such advertisements or other disclosures. NMTC Beneficiary will have the right to review and make reasonable modifications to such advertisements and other disclosures at least thirty (30) days prior to their placement or publication.

10. **Miscellaneous.** This Agreement, including any exhibits hereto, contains the entire Agreement by and between the parties hereto concerning the matters set forth herein and supersedes any prior understanding or agreements between the parties hereto. This Agreement may not be amended or modified except in writing by the parties hereto. This Agreement is governed by the laws of the State of California, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement. Any action or proceeding arising out of this Agreement will be litigated in courts located in San Francisco County, California. Each party consents and submits to the jurisdiction of any local, state, or federal court located in San Francisco County, California.

11. **Term of Agreement.** This Agreement shall remain in force for 7-year New Markets Tax Credits compliance term.

12. **Project.** Notwithstanding anything to the contrary contained here this Community Benefits Agreement and NMTC Beneficiary's duties hereunder shall solely be applicable to the 150 Hooper (PlaceMade) Project. No other project or property owned or operated by PlaceMade shall be subject to the terms of this Agreement.

13. **Notice.** Any notice or communication required under this Agreement by any party to the other shall be sufficiently given or delivered if dispatched by hand or by registered or certified mail, postage prepaid, addressed as follows:

In the case of SFCIF Lender to:

San Francisco Community Investment Fund
1 Dr. Carlton B. Goodlett Place Room 336
San Francisco, CA 94102
Attn: San Francisco Community Investment Fund
Attention: Jamie Querubin
Email: Jamie.Querubin@sfgov.org

In the case of COCRF Lender to:

Capital One, N.A.
201 St Charles Ave
29th Floor
New Orleans, LA 70170
Attention: Spencer Gagnet
Spencer.gagnet@capitalone.com

In the case of a NMTC Beneficiary to:

PlaceMade
926 Howard Street
San Francisco, CA 94103
Attention: Kate Sofis
Email: kate@sfmade.org

After completion of the Project

PlaceMade Hooper, Inc.
150 Hooper Street
San Francisco, CA 94107
Attention: Kate Sofis
Email: kate@sfmade.org

14. **Notice and Time to Cure.** If SFCIF believes that the NMTC Beneficiary has not fully performed the acts to be performed by it in accordance with this Agreement, SFCIF shall advise the NMTC Beneficiary by written notice of the breach, and the NMTC Beneficiary shall have ninety (90) days after the date of such notice to perform any acts required of it to cure the alleged breach prior to SFCIF commencing any action to enforce this Agreement

14. **Rights and Remedies.** Lenders agrees that upon an event of noncompliance which remains outstanding beyond all applicable cure periods, Lenders remedy shall be solely limited to collect amounts deposited in the Community Benefit Guarantee Account and to compel specific performance related to the event of noncompliance, pursuant to the terms and conditions set forth in Section 3 herein.

[The remainder of this page is intentionally blank. Signature page follows.]

COUNTERPART SIGNATURE PAGE
COMMUNITY BENEFITS AGREEMENT

IN WITNESS WHEREOF, the Lenders and NMTC Beneficiary have caused this Community Benefits Agreement to be duly executed as of the day and year first above written.

BORROWER:

150 Hooper, Inc.,
a California nonprofit public benefit corporation

By:  _____

Name: Jon Knorpp
Title: Board President

SPONSOR:

PLACEMADE,
a California nonprofit public benefit corporation

By:  _____

Name: Katherine E. Sofis
Title: President

COUNTERPART SIGNATURE PAGE
COMMUNITY BENEFITS AGREEMENT

IN WITNESS WHEREOF, the Lenders and NMTC Beneficiary have caused this Community Benefits Agreement to be duly executed as of the day and year first above written.

COCRF LENDER:

COCRF SUBCDE 71, LLC, a Delaware limited liability company

By: Capital One Community Renewal Fund,
LLC, a Delaware limited liability company,
its non-member manager

By: 

Name: Douglas J. Fields

Title: Assistant Manager

COUNTERPART SIGNATURE PAGE
COMMUNITY BENEFITS AGREEMENT

IN WITNESS WHEREOF, the Lenders and NMTC Beneficiary have caused this Community Benefits Agreement to be duly executed as of the day and year first above written.

SFCIF LENDER:

SFCIF SUB CDE 7, LLC, a California limited liability company

By: SAN FRANCISCO COMMUNITY
INVESTMENT FUND, its Managing
Member

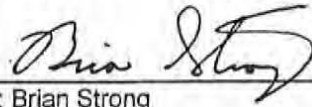
By: 
Name: Brian Strong
Title: President

Exhibit A IMPLAN Analysis

PlaceMade San Francisco

IMPLAN Analysis Assumptions

Last updated: 3/19/2018
 Location: San Francisco, CA
 County: San Francisco

CONSTRUCTION PHASE:

Beginning: November 2016
 Duration in Months: 21

Total Project Cost	\$ 25,835,207.00	Year	Spending	IMPLAN Sector	Sector Description	LPC % local to study area
Construction	\$ 21,968,394.00	2016	\$ 1,046,114	53	Construction of New Manufacturing Structures	100%
		2017	\$ 12,553,368			
		2018	\$ 8,368,912			
Total Hard Costs:	\$ 21,968,394.00		\$ 21,968,394			

Total Impacts from Construction

	Direct	Indirect	Induced	Total
Output	\$ 22,108,209.00	\$ 2,432,759.00	\$ 4,406,645.00	\$ 28,947,613.00
Wages	\$ 12,484,231.00	\$ 1,106,898.00	\$ 1,795,923.00	\$ 15,387,052.00
Jobs	120.94	8.52	23.38	152.84

Tax Impacts from Construction

Federal Govt Non-Defense	
Indirect Business Taxes	\$ 333,556.00
Personal Taxes	\$ 1,034,089.00
Social Insurance Taxes	\$ 1,427,889.00

State and Local Govt Non Education	
Indirect Business Taxes	\$ 64,391.00
Personal Taxes	\$ 429,129.00
Social Insurance Taxes	\$ 81,392.00

OPERATIONS

Operations Beginning: 2019

Use Type	Sector
Misc. Manufacturing 360,000 sf	Var.

Total Impacts from Operations

	Direct	Indirect	Induced	Total
Output	\$ 26,238,504.00	\$ 5,107,821.00	\$ 3,991,702.00	\$ 35,338,027.00
Labor Income	\$ 9,064,840.00	\$ 2,390,254.00	\$ 1,625,340.00	\$ 13,080,434.00
Jobs	93.28	19.66	21.27	134.21

Tax Impacts from Operations

Federal Govt Non-Defense	
Indirect Business Taxes	\$ 347,744.00
Personal Taxes	\$ 984,832.00
Social Insurance Taxes	\$ 881,736.00

State and Local Govt Non Education	
Indirect Business Taxes	\$ 67,130.00
Personal Taxes	\$ 408,689.00
Social Insurance Taxes	\$ 50,261.00

Exhibit B Job Creation

Position	# employees	# hours/week	Total # hours/year
<u>Janitor and Light Maintenance</u>	<u>1</u>	<u>20</u>	<u>1040</u>
<u>Accounting Assistant</u>	<u>1</u>	<u>20</u>	<u>1040</u>
<u>Property Manager</u>	<u>1</u>	<u>20</u>	<u>1040</u>

Exhibit C-1 Community Benefits Report

San Francisco County

Purpose:

This questionnaire is used to collect information for US Department of Treasury reporting and statistical record keeping purposes of the Lenders.

Instructions for Completion

Unless otherwise indicated, please answer all questions for the period beginning July 1st and ending June 30th for each reporting year.

Terms used in this questionnaire:

A) **Full-Time Equivalent (FTE)** - employment of at least 35 hours per week (part time hours should be combined: one employee working 15 hrs/wk + one working 20 hrs/wk = 1 FTE).

Created: FTEs created at the project **within the reporting period** (see Instructions).

Retained: FTEs already at the project when the project received New Markets funding.

B) **Living Wage** - means compliance with the provisions of the Minimum Compensation Policy (the "MCO") and Health Care Accountability Policy (the "HCAO") (together, the "**Policies**") as set forth in San Francisco Administrative Code Chapters 12P and 12Q (the "**Chapters**"), including the remedies provided, and implementing guidelines and rules. The provisions of the Chapters are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO and the HCAO is available on the web at www.sfgov.org/olse/mco. Such compliance includes providing all "Covered Employees," as defined under Section 2.7 of the Policies, a minimum level of compensation and offering health plan benefits to such employees or to make payments to the City and County of San Francisco's Department of Public Health, or to participate in a health benefits program developed by the City and County of San Francisco's Director of Health. Living Wages to be calculated each year based on the current income limits.

C) **Low-Income Person**- means any individual having an income, adjusted for family size, of not more than: (1) for metropolitan areas, 80% of the area median family income; and (2) for non-metropolitan areas, the greater of (a) 80% of the area median family income or (b) 80% of the statewide non-metropolitan area median family income.

D) **Permanent FTE Job** - a FTE job lasting at least 24 months, located at the project itself.

E) **Predevelopment or Construction FTE Job** - a FTE job resulting from the development of the project during the entire course of construction.

F) **Low Income, Women or Minority Owned /Controlled** - more than 50% of the owners of a for-profit business, or more than 50% of the Board of Directors/Executive Director of a non-profit entity are low-income, women or minorities.

In this questionnaire, we ask you to divide jobs created and retained into two categories:

- Those for low-income persons, and
- Those for non low-income persons.

1. Low Income Community Impacts

a. Borrower Low-Income Job Creation/Retention

- The borrower **created** _____ (#) permanent FTE jobs for low-income persons, of which _____ (#) paid _____/hr.
- The borrower **retained** _____ (#) permanent FTE jobs for low-income persons, of which _____ (#) paid _____/hr.

b. Construction Contractor Low Income Jobs Supported

- The project supported a maximum of _____ (#) construction FTE jobs for low-income persons, of which _____ (#) paid _____/hr.
- Did your construction contractors utilize hires through Workforce Training Offices? If so, please discuss: _____

d. Rationale For Low Income Job Estimates

- Check one of the following as the rationale for job estimates:
 - ☐ Rule of Thumb: Estimates based upon borrower's "rules of thumb" about types of jobs created and square footage of building.
 - ☐ Wage Data: Estimates based upon state or local wage data
 - ☐ Economic Impact: Estimates based upon economic impact studies

e. Low Income Jobs: Quality and Specifics

- Discuss the efforts your project made to hire low-income persons and/or minorities during both the construction and post-construction phases of the project: _____
- What opportunities for career training and advancement does your project provide for low-income people? _____
- How did your project create opportunities for low-income persons or residents of low-income communities to build wealth and receive employment benefits (e.g., health insurance, retirement benefits, employee stock ownership, etc)? _____

f. Goods and Services:

- Discuss the ways in which your project sought to improve low-income person and low-income community resident access to social services, educational opportunities, health care, retail, etc.: _____

2. Non-Low Income Community Impacts

a. Borrower Non-Low Income Job Creation/Retention

- The borrower **created** _____ (#) permanent FTE jobs for non-low income persons, of which _____ (#) paid _____/hr.
- The borrower **retained** _____ (#) permanent FTE jobs for non-low income persons, of which _____ (#) paid _____/hr.

b. Construction Contractor Non-Low Income Jobs Supported

- The project supported a maximum of _____ (#) construction FTE jobs for non-low income persons, of which _____ (#) paid _____/hr.

3. Economic Impacts

a. Additional Capital Attracted

- Please list all non-New Markets quantities and sources of capital:

\$_____ Source: _____

\$_____ Source: _____

\$_____ Source: _____

\$_____ Source: _____

b. Community Outreach and Involvement

- Please describe the ways in which your project facilitated economic stabilization for the surrounding area (e.g. by creating community assets, infrastructure or access; stimulating the local economy by buying locally, etc.): _____
- Please describe the ways in which your project facilitated or participated in community stakeholder activities (e.g. organizing or attending community resident meetings, participating in long-term community planning, etc.): _____
- Please estimate the percentage of your employees living within 10 miles of the project: _____
 - What organizations did your project partner with to provide internships for residents of the low-income community? _____

4. Other Community Impacts

a. Financing Low-Income Nonprofits/ Businesses:

- Is your nonprofit/business low-income controlled or owned? _____

b. Financing Women Nonprofits/Businesses:

- Is your nonprofit/business women-controlled or owned? _____

c. Financing Minority Nonprofits/Businesses:

- Is your nonprofit/business minority controlled or owned? _____

d. Involving Minority Construction Contractors:

- Is your construction contractor or are any of the subcontractors minority-controlled or owned? _____

5. Environmentally-Sustainable Outcomes

- a. Describe the extent to which your project remediated environmental contamination (including addressing environmental health in low-income communities); met Leadership in Energy and Environmental Design (LEED) certification standards; and/or directly supported the production or distribution of renewable energy resources (e.g. biomass, hydro, geothermal, solar, wind, etc.): _____

6. Healthy Food Financing

- a. Describe the extent to which your project (particularly retail outlets such as grocery stores, supermarkets and farmer's markets) increased access to fresh and healthy food for low-income persons or residents of low-income communities: _____

7. Nonprofit Community Facility Capacity

- a. If your project was a non-profit community facility, please provide an estimate of the number of clients that the facility served over the past year: _____. What percentage of these clients do you estimate are low-income? _____

8. Square Footage of Project

- a. Square footage of office space: _____
- b. Square footage of retail space: _____
- c. Square footage of manufacturing space: _____
- d. Square footage of other space (playgrounds, etc.): _____
- e. Total square footage of the project: _____

9. Future Projections

For this section only, please respond with future projections (next five years).

a. **Borrower Future Job Creation (next 5 years)**

- Anticipated creation of _____ (#) permanent FTE jobs.

b. **Construction Contractor Future Job Creation (next 5 years)**

- Anticipated support of _____ (#) construction FTE jobs.

10. Project Story

We would appreciate any stories about your project or clients that indicates how low-income people, their families and communities are benefitting from your products and services: _____

Contact Information:

Your Name: _____

Organization: _____

Email address: _____

Phone number: _____

11. Disclosure

For the purposes of community reporting to the CDFI Fund, NMTC Beneficiary certifies that:

- a. Borrower reported an annual gross revenue in the most recent fiscal year of \$[] (FY 20[]);
- b. Sponsor reported an annual gross revenue in the most recent fiscal year of \$[] (FY 20[]);
- c. Borrower's NAICS Code is [] (); and
- d. Sponsor's NAICS Code is [] ().

Is there anything else you would like to clarify or add? _____

*Should you have any questions, please feel free to contact (415) 554-6969 or sfcif@sfcif.org.
Thank you!*

Exhibit C-2 Community Benefits Report

SFCIFC Project Name: 150 Hooper Community Benefits Agreement Progress Report				
Summary Report		Actual	Still in Progress	Comments
Quantifiable Outcomes Qualitative Outcomes SFCIF Board of Directors				
Job Creation Benefits				
NMTC Beneficiary will provide (1) job & wealth creation & retention programming accessible to area low income household residents; and (2) temporary construction employment opportunities, permanent employment opportunities; and internship and apprenticeship programming and opportunities, with consideration to Locally Sourced hires, in partnership with community based organizations and in accordance with its Employment Plan and Partnerships Plan.				
Section	Page X of CBA	Goal	Actual	Progress
A(a)	3	Create at least 150 Construction FTE jobs, of which at least 25% of all new hires will be locally sourced.		
A(b)	3	Provide at least 100% Construction FTE jobs with prevailing wages	Confirmed. All work is union, which is equal to prevailing wages.	Completed
A(c)	3	Ensure all entry-level hires through the building utilize First Source Hiring, to be provided through SFMade's Hiring Made Better program applying the same First Source Hiring obligations through a workforce program that is customized to the manufacturing sector		
A(d)	3	Through the tenants of the Project, retain at least 56 permanent FTE jobs, and create 14 new jobs. Of the new jobs, up to 9 are anticipated to be entry level and to be Locally Sourced, including consideration of residents of San Francisco's Bayview and Mission communities (zip codes 94124 and 94110). For all vacancies make good faith efforts to fill positions locally in concert with its Employment Plan in partnership with community based organizations		
A(e)	3	Create at least three (3) positions at the NMTC Beneficiary as described in Exhibit B. NMTC Beneficiary will make good faith efforts to fill all positions locally and fulfill the goal of 100% of entry level positions being Locally Sourced, including consideration of residents of San Francisco's Bayview and Mission communities (zip codes 94124 and 94110).		
A(f)	3	Provide employees at the NMTC Beneficiary with Living Wages as described herein and the following benefits: medical, retirement plan, and vacation and sick leave		
A(g)	3	Provide for at least 25% Local Business Enterprise participation on NMTC Beneficiary-controlled contracts pursuant to the City and County of San Francisco's Local Business Enterprise Ordinance, Chapter 14B of the Administrative Code of the City and County of San Francisco, provide for at least 20% local business participation of construction subcontractors and over 50% local business participation on soft cost contractors. Support these local businesses in becoming LBEs wherever possible.		
A(h)	4	Provide 5 paid internships annually for local youth accounting for a total of 450 paid hours of youth work and training in manufacturing through SFMade's YouthMade program		
A(i)	4	Provide best practices for employee profit sharing and shared ownership structures. training workshop annually for 2 hours, open to all manufacturing companies in San Francisco		

A(j)		Three months prior to hire, provide Employment Plan to Lenders, including consideration of residents of San Francisco's Bayview and Mission communities (zip codes 94124 and 94110), residents of NMTC eligible census tracts in San Francisco and other City of San Francisco residents			
A(k)		By 3 months prior to project completion, provide written evidence to Lenders of documented effort to focus local hire jobs including consideration to residents of San Francisco's Bayview and Mission communities (zip codes 94124 and 94110), residents of NMTC eligible census tracts in San Francisco and other City of San Francisco residents			
Economic Development Benefits					
NMTC Beneficiary will (1) provide flexible lease rates to locally owned businesses at a rate of at least 25% below market; and (2) provide direct technical assistance to manufacturing companies on site at the Project including business assistance through parent organization, SFMade, and (3) provide sourcing assistance to manufacturing companies on site at the Project to connect to other manufacturers in the building and other locally owned businesses, and (4) host workshops providing training and business assistance to new and growing manufacturing companies. NMTC Beneficiary shall use diligent and good faith efforts to					
Section	Page X of CBA	Goal	Actual	Progress	Comments
B(a)	4	Provide flexible lease rates to at least 10 locally owned businesses, 4 of which will be owned by minorities or women, at rates of at least 25% below market for a comparable product			
B(b)	4	Provide direct technical assistance annually to at least 7 locally owned manufacturing businesses, 2 hours of assistance per company for a total of 14 hours of business assistance annually, customized to meet each company's need, but could include advising on production process, human resources, marketing, and/or capital			
B(c)	4	Host 10 workshops annually on site to provide manufacturing businesses and prospective manufacturing businesses with critical information on how to start, grow and stay in San Francisco			
B(d)	4	By December 31, 2018, substantially complete improvements to the previous condition of the site, which was used for household storage in stackable shipping containers (a non-conforming use) and for open air truck rentals with no permanent structures on site. Substantially complete the Project of a 4-story 56,000SF industrial space			
Community and Social Development Benefits					
NMTC Beneficiary will (1) provide local youth access to, exposure to and tours of locally owned manufacturing businesses through SFMade's Inside Manufacturing Program; (2) community accessibility to the Project through tours; and (3) provide community access and connection through annual events. NMTC Beneficiary will use diligent and good faith efforts to:					
Section	Page X of CBA	Goal	Actual	Progress	Comments
C(a)	5	Provide direct access to local manufacturing companies to youth from local high schools such as: Phillip and Sala Burton Academic High School, John A. O'Connell High School and George Washington High School through SFMade's Inside Manufacturing			
C(b)	5	Provide 2 Project tours a year to 20 youth on each tour through Inside Manufacturing			
C(c)	5	Provide 1 speaker from one of the locally owned manufacturing companies to Inside Manufacturing annually with programing on-site at the participating local high schools			
C(d)	5	Provide community access through 20 tours annually of the Project and a look inside manufacturing companies working in the building			
C(e)	5	Provide 1 annual event celebrating the local manufacturing sector highlighting job opportunities at tenant businesses			

C(f)	5	Provide written evidence of documented effort to partner with community based organizations to target youth programming with consideration to youth and families of San Francisco's Bayview and Mission communities (zip codes 94124 and 94110), residents of NMTC eligible census tracts in San Francisco and other City of San Francisco residents			
Partnerships Development Benefits					
Section	Page X of CBA	Goal	Actual	Progress	Comments
D(a)	5	Consult with local stakeholders, residents, civic organizations and institutions, community based organizations, businesses, funders, customers, partners, clients, government officials, in the local San Francisco area			
D(b)	5	Incorporate planning efforts resulting from City and County of San Francisco government and other community planning processes			
D(c)	5	Develop community advisory board comprised of members of local workforce partners who will convene at the project twice annually to deepen relationships with local manufacturing companies, and learn about benefits of manufacturing employment, while advising on how to continue to make manufacturing jobs accessible			
D(d)	5	Partner with community based organizations, targeting organizations like, but not limited to, Arriba Juntos, Bayview Hunters Point YMCA, Enterprise for Youth, Goodwill, Hospitality House, Hunters Point Family Center, Jewish Vocational Services, Larkin Street Youth Services, Mission Economic Development Agency, Mission Hiring Hall, Inc., Mission Language and Vocational School, Mission Neighborhood Centers (MNC), MYEEP, Positive Resource Center (PRC), South of Market Community Action Network (SOMCAN), Swords to Plowshares, Tenderloin Tech Lab, The Women's Building, Young Community Developers, Inc. (collectively, "Partners") to enhance, develop and strengthen			
D(e)	6	Market NMTC Beneficiary programs and events to people in Partners			
D(f)	6	Three months after closing, development of a comprehensive outreach program in concert with Partners, where possible, that targets San Francisco low-income communities			
D(g)	6	Three months after closing, provide Partnerships Plan to Lenders to document effort to partner with community based organizations targeting youth programming with consideration to youth and families of San Francisco's Western Addition community (zip codes 94115 and 94117), residents of NMTC eligible census tracts in San Francisco and other City of San			

Environmental Sustainability Benefits				
NMTB Beneficiary will (1) complete LEED Gold designated Project; (2) commit to energy use reduction; and (3) provide onsite recycling and waste reduction opportunities.				
E(a)	6	Conduct 1 annual workshop on sustainability in partnership with SFMAde		
E(b)	6	Through our partnership with PG&E, we will assist tenants conduct energy audits and to develop and implement energy savings strategies		
E (c)	6	Provide recycling and composting opportunities		
E(d)	6	Implement energy conservation in its operations		
Community Benefit Guarantee				
Section	Page X of CBA	Amount	Years	Amount remaining*
3	6	\$ 140,000	4	\$140,000
*Reserve will be released in \$35,000 increments over the first four years; Annual updates are requirement until September 2026				
Next Report due: September 1, 20[]				

Exhibit D Organizations

SECTOR STRATEGY

Occupational Skills Training, Sector-specific Job Readiness Training

Sector Programming: Healthcare Training

Jewish Vocational Service – Healthcare Academy (Coordinator)
Arriba Juntos
In-Home Support Services Consortium
Mission Language Vocational School
Mujeres Unidas y Activas
Self Help for the Elderly

Sector Programming: Hospitality Training

Mission Hiring Hall – Hospitality Initiative (Co-Coordinator)
Self Help for the Elderly – Hospitality Initiative (Co-Coordinator)
Charity Cultural Services
Community Housing Partnership
Episcopal Community Services
Mission Language Vocational School

Sector Programming: Technology Training

Bay Area Video Coalition – TechSF (Coordinator)
Tekmeca

Sector Programming: Construction Training

Mission Hiring Hall – CityBuild (Coordinator)
Asian Neighborhood Design
A. Philip Randolph Institute
Anders and Anders
Young Community Developers
Charity Cultural Services
City College of San Francisco

COMPREHENSIVE ACCESS POINT

Centralized entry point/resources for all workforce system services

Goodwill – Coordinator
Manpower – Business Services
Jewish Vocational Service – Dislocated Worker
Five Keys – Assessment & Education Linkage
Goodwill – Re-entry Navigator

NEIGHBORHOOD ACCESS POINTS

Community focused point of entry into the workforce system

Small Access Points

Chinese for Affirmative Action
Compass Family Services
Central City Hospitality House
Hearing and Speech Center
LGBT Center
Positive Resource Center
Toolworks
Upwardly Global

Large Access Points

Collective Impact
FACES
Hunters Point Family
Mission Economic Development Agency
Self Help for the Elderly
Swords to Plowshares
Young Community Developers

RAMP

Job readiness training and work-based learning for young adults

Goodwill
San Francisco Conservation Corps

SECTOR BRIDGE

Occupational Skills Training, Sector-specific Job Readiness Training for young adults

Bay Area Video Coalition
Bayview Hunters Point Center for Arts & Technology
Jewish Vocational Service
Larkin Street
Renaissance Parents of Success

YOUNG ADULT WORKLINK

Young adult focused point of entry into the workforce system

Collective Impact
Community Youth Center
Hunters Point Family
Mission Economic Development Agency
Success Center
Vietnamese Youth Development Center
Young Community Developers

Exhibit E Multi-CDE Reporting Form

MULTI-CDE Project Reporting Form

Project Name:		
Date Originated:		
Purpose:	RECOCOM	N/A
QALICB:		
Investee (Sponsor):		
Census Tract(s):		

	Data Point	Entry	Error Checking	Source / Methodology
Addresses	Project Number			CDE Generated
	Investee Street Address Line 1			
	Investee Street Address Line 2			
	Investee City			
	Investee State			
	Investee Zip Code 5			
	Investee Zip Code +4			
	Project Street Address Line 1			
	Project Street Address Line 2			
	Project City			
	Project State			
	Project Zip Code 5			
	Project Zip Code +4			
	Project Data	Project Number		
Multi-CDE Project Number				CDE Generated
Total Project Cost			ERROR - SOURCES CAN NOT EXCEED TOTAL PROJECT COST	Financial Projections - Sources and Uses
Total Project Cost Public Sources				
Total Project Cost Other CDEs, Affiliates		To be reported per CDE		Financial Projections - Sources and Uses
Total Project Cost Private Investment				Financial Projections - Sources and Uses
Loan-to-Value Ratio				Loan Sources Per Construction Budget / Appraised Value
Projected Debt Service Coverage Ratio				Financial Projection - Cash Flow (1st Stabilized Year)
Loan Loss Reserve Requirement				NA - Assume loan loss reserve is zero
Investee Data		Client ID		
	QLICI Type	QALICB	OK	NA - Assume QLICI Type is always QALICB
	Investee Type	BUS	OK	NA - Assume Investee Type is always BUS
	Investee TIN			NA - Should be left blank since QLICI Type equal QALICB
	Date Business Established		OK	Closing Documents - Investee Certification of Organization
	Entity Structure	FORPROFIT		
	Minority Owned or Controlled	NO		
	Women Owned or Controlled	NO		
	Low Income Owned or Controlled	NO		Sponsor survey if available, otherwise Investment Summary
	Gender	NA		
	Race	NA		NA
	Hispanic Origin	NA		
	Business Description Primary	HEALTH		
	Business Description - Other			Investment Summary - Project Description
	NAICS Description			
	NAICS Code			
	Annual Gross Revenue from Business Operations at Time of Loan/Investment			
	Annual Gross Revenue and Business Operations Reported During the Reporting Period	NA		Investee Financial Statements if Available
Jobs	Type of Jobs Reported	DIRECT	OK	Type of Jobs Reported is Direct since it will be difficult to substantiate "Actual Jobs" for the indirect portion
	Jobs at Time of Loan/Investment	NA	ERROR - LEAVE BLANK IF PURPOSE = REAL ESTATE	
	Projected jobs - Businesses Financed	NA	ERROR - LEAVE BLANK IF PURPOSE = REAL ESTATE	
	Projected Jobs - Construction		NOT COMPLETE	
	Projected Jobs - Tenant Businesses		NOT COMPLETE	
	Source of Job Estimates	NEWFINANCING	OK	
	Source of Job Estimates - Other			

MULTI-CDE Project Reporting Form

Project Name:		
Date Originated:		
Purpose:	RECOCOM	#N/A
QALICB:		
Investee (Sponsor):		
Census Tract(s):		

	Data Point	Entry	Error Checking	Source / Methodology
Real Estate	Square Feet of Real Estate - Total	0	OK	
	Square Feet of Real Estate - Manufacturing	0	OK	
	Square Feet of Real Estate - Office	0	OK	
	Square Feet of Real Estate - Retail	0	OK	
	Housing Units - Sale	0	OK	
	Housing Units - Rental	0	OK	
	Affordable Housing Units - Sale	0	OK	
	Affordable Housing Units - Rental	0	OK	
Community Facility	Community Facility	NO		Investment summary
	Capacity of Educational Community Facility		OK - LEAVE BLANK	Investment summary
	Capacity of Childcare Community Facility		OK - LEAVE BLANK	Investment summary
	Capacity of Healthcare Community Facility		OK - LEAVE BLANK	Investment summary
	Capacity of Arts Center Community Facility		OK - LEAVE BLANK	Investment summary
	Capacity of Other Community Facility		OK - LEAVE BLANK	Investment summary
Other Impact	Other Impacts (1) - Explain			Investment summary
	Other Impacts (1) - Number of Units		OK - LEAVE BLANK	Investment summary
	Other Impacts (2) - Explain			Investment summary
	Other Impacts (2) - Number of Units		OK - LEAVE BLANK	Investment summary
Investor Data	Investor TIN			
	QALICB Type	RE		
	NMTC Eligibility Criteria	2006-2010 ACS		MYCDFI Fund Mapping Application
	1990 FIPS Code		OK	Leave Blank
Economic Distress Data	Related Entity	NO		CDE Specific Determination
	Poverty Rates Greater than 25% but less than or equal to 30%	NO		Project Impact Analysis if available or MYCDFI Fund Mapping Application
	Poverty Rates Greater than 30%	NO		
	Median Income Less than 60% of Statewide/Area Median Income	NO		
	Median Income Greater than 60% but less than or equal to 70% of statewide/Area Median Income	NO		
	Unemployment Rates equal to or greater than 1.25 but less than 1.50 Times the National Average	NO		
	Unemployment at Least 1.5 Times the National Average	NO		
	Designated for Redevelopment	NO		
	Designated EZ, EC, or RC	NO		
	SBA Designated HUB Zone	NO		
	Federal Native Areas	NO		
	Brownfield Redevelopment Area	NO		
	HOPE VI Area	NO		
	Located in a Hot Zone	NO		
	Appalachian Regional Commission or Delta Regional Authority	NO		
	Colonias	NO		
	Medically Underserved Area	NO		
	DF District or Enterprise Zone Program	NO		
	High Migration Rural County	NO		
	Non-Metropolitan Census Tract	NO		
	FEMA Disaster Areas	NO		
	Eligible for assistance under the Trade Adjustment Assistance for Firms (TAA) Program	NO		
	Food Desert	NO		
	Targeted Populations	NO		
	Other Areas of Higher Distress	NO		

EXHIBIT B

150 HOOPER STREET LEASE

Lease Date: July 2, 2018

1. **Definitions.** The following are definitions of certain terms that are used in this Lease:

- i) **Landlord:** 150 Hooper, Inc.
- ii) **Tenant:** Humanmade
- iii) **Lease Commencement Date:** Commencement Date: August 15, 2018
Termination Date: 3 years From Lease Commencement Date
Lease Term: 3 years after Lease Commencement Date
- iv) **Extension Option:** 3 years, plus one extension after Termination Date. Term negotiable with mutual agreement.
- v) **Building:** 150 Hooper Street, San Francisco, CA 94107
- vi) **Premises:** Fourth Floor
- vii) **Premises Square Footage:** Approximately 13,243 usable square feet
Plus approximately 2,325 common area square feet
Totaling approximately 15,568 rentable square feet
- viii) **Monthly Rent:** \$36,325
- ix) **Additional Monthly Rent:** (Utilities, Janitorial, Trash) There will be an additional monthly charge for your actual electricity use, plus your pro-rata-use (based on the rentable sq. ftg of your unit) of: building utilities, trash, and janitorial.
- x) **Rent Commencement Date:** October 1, 2018
- xi) **Rent Due Date:** Rent shall be due no later than the 30th of every month.
- xii) **Rent Adjustment:** On each anniversary of the Lease Commencement Date, the Monthly Rent shall increase by 3%.
- xiii) **Security Deposit:** \$ 217,950
- xiv) **Brokers:** None
- xv) **Permitted Use:** Shared workshop space for manufacturing, prototyping, and associated accessory functions (office and/or retail). Use of the Premises must at all times be consistent with PDR 1-D zoning, the rules and regulations of the Building, and any other applicable laws and regulations.

For Rent and Notices:

Landlord
150 Hooper, Inc.
150 Hooper Street
San Francisco, CA 94107

Tenant
At the Premises
Phone: 650-303-8442
Email: ryan@humanmade.org
Attn: Ryan Spurlock

Wherever used in this Lease, the terms "we", "us" or "our" refer to the Landlord and the terms "you" or "your" refer to the Tenant. The term "Lease" means this 150 Hooper Street Lease. If this Lease is signed by more than one person as Tenant and/or Guarantor, all such persons shall be jointly and severally liable for the obligations of the Tenant under this Lease.

2. Lease. We hereby lease to you, and you hereby lease from us, the Premises for the Term and Rent described above. We reserve the right to relocate the Premises to another location in the Building, provided that the floor area of such substitute Premises is reasonably comparable to the Premises, and upon mutual agreement between Landlord and Tenant with regard to recompense for moving costs and for disruption of Tenant business.

3. Possession. You may take possession of the Premises on the Commencement Date. Possession will be delivered to you in "as is" condition, and by accepting it, you will be deemed to have acknowledged that you have examined the Premises and the Premises was in good condition, order and repair at the time of such acceptance including, without limitation, all mechanical and electrical systems. Under no circumstances will we be liable to you for failing to deliver possession for any reason.

4. Common Facilities. Subject to our Rules and Regulations (see Exhibit A), which are subject to change, and this Lease, you will have the non-exclusive right and license to use, in common with others entitled to such use, the Common Facilities, as it from time to time exists. You must not interfere, at any time, with our rights and the rights of others entitled to use any part of the Common Facilities, and you may not store, either permanently or temporarily, any materials, supplies or equipment in or on the Common Facilities. "Common Facilities" means all of the Building, except (a) the Premises, (b) any other premises in the Building leased or held for lease to other tenants, and (c) any areas reserved by us for special purposes (including, without limitation, utility areas, loading areas or outdoor areas), as determined by us from time to time. Common Facilities shall include any walkways and driveways, any other interior and exterior areas designated by us from time to time for common use. We reserve the right to use the roof, the demising floors, walls and ceilings, loading docks and areas, bicycle parking areas and the exterior walls of the Premises and the Building, and all telecommunications and utilities chases, ducts or other passageways located within the Premises and the Building. We shall have the exclusive control and management of the Common Facilities. We shall have the right, in our sole discretion, from time to time to: (i) make changes to the Common Facilities, including, without limitation, changes in the locations, sizes, shapes and number of driveways, entrances, shower areas, loading and unloading areas, bicycle parking area, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways; (ii) close temporarily any of the Common Facilities for maintenance purposes so long as there is reasonable access to the Premises; (iii) designate land outside the boundaries of the Building to be a part of the Common Facilities; (iv) add or delete buildings and/or improvements to/from the Common Facilities or to/from the Building; (v) use the Common Facilities while engaged in making additional improvements, repairs or alterations to the Building, or any portion thereof; and (vi) do and perform such other acts and make such other changes in, to or with respect to the Common Facilities and Building as we may, in the exercise of sound business judgment, deem to be appropriate. Use of the bicycle parking areas, shower areas, and loading areas are subject to availability and our written approval and conditions, which we may make in our sole discretion and change from time to time without notice.

5. Term. The term of this Lease will commence on the Commencement Date and will expire on the Expiration Date, unless sooner terminated or extended as provided elsewhere in this Lease.

6. Rent. The term "Rent" means all money owed by you under this Lease. All sums that are to be paid by you under this Lease, regardless of how described, denominated or characterized, and regardless of the party to whom or the purpose for which, those payments are to be made by you, will also be deemed "Rent." You will pay the Monthly Rent, in advance, without prior demand, on the first day of each and every consecutive month during the Term, without any set-off, abatement or reduction whatsoever. You shall pay the Security Deposit simultaneously with your execution of this Lease. All Rent is to be paid electronically via automatic debit, ACH credit or wire transfer to such account as we designate. We may accept other means or methods of accepting Rent payments at our sole discretion and we may change the means, accounts and manner of how Rent payments are made from time to time in a notice to you.

7. Additional Monthly Rent. You shall pay to us, in addition to the Monthly Rent, the Additional Monthly Rent (utilities, janitorial, trash) which will be payable to Landlord. The term "Additional Monthly Rent" means the costs of your actual electricity use (via submeter to Premises), plus your pro rata use (based on the rentable square footage of Premises) of the building utilities, trash, and janitorial as determined, calculated, estimated, operated and managed by us in our sole and absolute discretion. We may adjust the amount of the Additional Monthly Rent from time to time upon written notice.

You shall also be solely responsible for any taxes, assessments, or fees assessed on your business operations, trade fixtures, leasehold improvements, merchandise and other property on or about the Premises.

8. Extension Option. Unless you have been in Default of this Lease, you have the right to increase your Term under this Lease by giving us notice at least six months in advance of your original Termination Date. Your rent will continue to increase during the extension period per the Rent Adjustments during the original term beginning on the first day of the extension period. If you have defaulted under this Lease, you no longer have the right to any Extension Option in this Lease.

9. Late Rent Payments. Without limiting any of our other rights and remedies under this Lease or available to us at law or in equity, if you fail to pay by the due date any Monthly Rent, Additional Monthly Rent or any other charges owing under this Lease more than two (2) times during the Term of this Lease, then we can elect to take any or all of the following steps:

(a) We can exercise our remedies pursuant to Section 30 of this Lease including, but not limited to, terminating this Lease and evicting you from the Premises;

(b) We can require that, beginning with the first monthly installments of Monthly Rent and Additional Monthly Rent next due, the Monthly Rent and Additional Monthly Rent will no longer be paid in monthly installments, but will instead be payable in advance on a quarterly basis, on the first day of the first month of the quarter; and

(c) We can require you to increase the Security Deposit by an amount that we determine necessary to protect our interests, but not exceeding the initial Security Deposit in Section 1(xii).

You acknowledge that a late payment of Rent will cause us to incur costs not contemplated by this Lease, the exact amount of which is difficult to compute. Accordingly, if any installment of Rent or other sum due from you has not been received by us within five (5) days after such amount is due, then, without any requirement of notice by us, you will pay us a late charge in an amount equal to the greater of: (a) Five Hundred Dollars (\$500.00), or (b) five percent (5%) of the unpaid rent or other sum due from you. The amount of the late charge to be paid by you shall be reassessed and added to your Rent obligation for each successive month until paid. That late charge represents a fair and reasonable estimate of the costs we will incur by reason of late payment by you. Acceptance of any late charge by us will not constitute a waiver of any default by you with respect to the overdue amount, nor will it prevent us from exercising any of our other rights and remedies provided in this Lease or at law or in equity. In addition, in the event we are unable to negotiate any payment made by you on our first attempt to deposit the Rent check delivered to us by you, then you will pay us a fee of \$50.00 per item, which represents a fair and reasonable estimate of the costs we will incur by reason of our inability to negotiate such Rent payments.

10. Security Deposit. You will provide the Security Deposit indicated above at the signing of this Lease. The Security Deposit shall be held by us as security for the performance by you of your obligations under this Lease. Following an Event of Default by you under this Lease, we may use, apply or retain all or any portion of the Deposit for the payment of any rent or other charge in default, or the payment of any other sum to which we may become obligated by your default, or to compensate us for any reasonable expense, loss or damage which we may suffer thereby. If we so use or apply all or any portion of the Deposit, then within ten (10) days after demand therefor you shall deposit cash with Landlord in an amount sufficient to restore the Deposit to the full amount thereof, and your failure to do so shall be a material breach of this Lease. We shall not be required to keep the Deposit separate from its general accounts. If you perform all of your obligations under this Lease, the Deposit, or so much thereof as has not theretofore been applied by us, shall be returned, without payment of interest for its use, to you at the expiration of the term hereof, and within thirty (30) days after you have vacated the Premises. No trust relationship is created herein between us and you with respect to the Deposit. You waive the provisions of California Civil Code Section 1950.7, and all other present and future laws which restrict the amount or types of claim that a landlord may make upon a security deposit or imposes upon a landlord or a successor any obligation with respect to the handling or return of security deposits. Provided an Event of Default does not exist, and you have not paid rent later than five (5) days after the due date more than two (2) times during the term of this lease, then one-third (1/3) of the security deposit shall be released to you upon the first anniversary of the lease, and one-third (1/3) of the security deposit shall be released to you upon the second anniversary of the lease. The provisions relating to the security deposit in Section 9 above will still apply.

11. Utilities. We will arrange, and you agree to contract in your own name and to pay all charges for telephone, telecommunication, internet, or other data transmission or utility services supplied to the Premises. If any such utility charges are not separately metered or billed to the Premises, then you will pay

your share of those charges as we reasonably determine to us as part of Rent per the Additional Monthly Rent section above. We will not be liable to you if any of these services is interrupted, reduced or terminated because of necessary repairs, installations, construction or any other cause beyond our reasonable control, and no such interruption or termination will be construed as an eviction, a disturbance of possession or relieve you from your obligations under this Lease.

12. Parking. No automobile parking is available.

13. Use of Premises. You agree to occupy and use the Premises only for the Permitted Use described above. You also agree not to permit the Premises to be used for any unlawful purpose or Excluded Business' per the NMTC Program. You agree to not permit the Premises to be used for the following uses: residential; agricultural, outside the building; automotive; entertainment; industrial within the categories of grain elevator, storage yard, and truck terminal; institutional uses including, without limitation, public facilities; sales and services within the category of health services; utility and infrastructure including, without limitation, public utilities yard, utility installation, public transportation, and internet service exchange. Excluded Business' shall also mean any of the following: (a) any trade or business consisting of the operation of any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises; (b) any trade or business the principal activity of which is "farming" (within the meaning of Section 2032A(e)(5)(A) or (B) of the Internal Revenue Code; (c) any trade or business consisting predominantly of the development or holding of intangibles for sale or license; and (d) the ownership or rental to others of "residential rental property", as such term is defined under Section 168(e)(2) of the Internal Revenue Code. You agree that we have not made any representation about whether your intended use is legal and permitted in the Premises now or in the future. It is your sole obligation to have all legal licenses required to operate your business and not to cause us or the Premises or Building to violate any regulation or code with your use. You are responsible for any compliance, fees or fines associated with your use of the Premises and Building including but not limited to local and state fire codes and building codes and you agree to indemnify and hold us harmless to that effect. Further, you agree to comply with all Rules and Regulations established by us from time to time and with all applicable federal, state and local laws and ordinances that apply to the use and occupancy of the Premises. The Rules and Regulations in effect as of the date of this Lease are attached to and made a part of this Lease as Exhibit A.

In addition, at any time during the Lease Term, should your business be considered by Landlord as a business which has more than 60% of its employees who, at the time of being hired, are "Low-Income Persons" (as defined in the NMTC Program regulations and confirmed by the Landlord's consultant who is certifying the eligibility of the Landlord's tenants who qualify under the NMTC Program) and Tenant has received notice from Landlord that it does qualify by having more than 60% Low-Income Persons as employees, then along with the requirements described in the preceding paragraph of this Section 13, the Tenant agrees that it currently complies with and will comply with the following NMTC requirements during the Lease Term:

- (a) Less than 5 percent of the average of the aggregate unadjusted bases of the property owned by the tenant is attributable to collectibles, other than collectibles that are held primarily for sale to customers in the ordinary course of business. Collectibles shall include: Any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or any other tangible personal property specified by the Secretary of the Treasury for the purpose of this subsection.
- (b) Less than 5 percent of the average of the aggregate unadjusted bases of the property for the tenant is attributable to nonqualified financial property. For purposes of the preceding sentence, the term "nonqualified financial property" means debt, stock, partnership interests, options, futures, contracts, forward contracts, warrants, notional principal contracts, annuities, and other similar property except that such term does not include:
 - i. Reasonable amounts of working capital held in cash, cash equivalents, or debt instruments with a term of 18 months or less (because the definition of nonqualified financial property includes debt instruments with a term in excess of 18 months, banks, credit unions, and other financial institutions are generally excluded from the definition of a qualified active low-income community business); or
 - ii. Debt instruments described in section Treasury Regulation Section 1221(a)(4), which are accounts or notes receivable acquired in the ordinary course of trade or business for services rendered or from the sales of stock in trade of the tenant or other

property of a kind which would properly be included in the inventory of the tenant if on hand at the close of the taxable year, or property held by the tenant primarily for sale to customers in the ordinary course of trade or business.

- (c) The Tenant does not operate any trade or business at any other location other than at the leased Premises.
- (d) The Tenant agrees that it will provide prior written notice to Landlord before expanding its trade or business operations to a location other than the leased Premises. The Tenant and Landlord agree to cooperate to ensure any business expansion by the Tenant to a new location will be in compliance with the location requirements of the applicable NMTC regulations.

14. Alterations. You may not make any physical changes to the Premises, whether structural, non-structural or cosmetic, including paint or wallpaper, without our prior written approval and without our in-person supervision in each instance. Nor may you install any fixtures, locks, bolts, chains or similar devices at any time without our prior written approval. You may not affix any screws, nails, or similar hardware into the floor or ceiling. Any such changes, once approved, shall be made at your expense, and the ownership thereof shall become immediately vested in us, with the right to remove them, at our option and at your expense, at any time following the Expiration Date of this Lease. We reserve the right to increase the Security Deposit in conjunction with the approval of any physical changes to the Premises. We reserve the right at any time and from time to time, to post and maintain on the Premises and Building such notices as we deem necessary to protect the Premises against liens. You agree not to permit or suffer, and to cause to be removed and released, any mechanic's, materialman's or other lien on account of supplies, machinery, tools, equipment, labor or material furnished or used in connection with the construction, alteration, improvements, addition to or repair of the Premises by or through you.

15. No Liens Against Our Interest in the Building. Our right, title and interest in the Building will not be subject to liens for improvements made by you and the fee title to the Building may not be encumbered by any liens arising out of work performed on the Building, by, at the request of, under contracts entered into with, or by persons or parties claiming under or through you, regardless of whether such work is performed pursuant to this Lease or otherwise. In the event that you allow the imposition of any such lien, you will have ten (10) days to cause the lien to be released of record by payment or bonding, failing which, we will have the right to cause the same to be released by such means as we deem proper, including payment or bonding of the claim giving rise to such lien. All such expenses incurred by us in connection therewith will be deemed additional Rent and will be payable to us by you on demand.

In no event will our interest in the Building or any part thereof be subject to liens for improvements made by you or be encumbered by any liens arising out of work performed by, at the request of, under contracts entered into with, or by persons or parties claiming under or through you, regardless of whether such work is performed pursuant to this Lease or that we have consented to it. You will (a) notify each and every contractor who performs such work in connection with such improvements of this provision, (b) provide a copy of this provision to each of such contractors, (c) require and cause each of such contractors to notify and provide a copy of this provision to each person or party with whom they may deal in connection with the construction of such improvements and require each such person or party to do likewise with persons or parties with whom they may deal, to the end that all contractors, persons, or parties, who provide supplies, furnish labor, or otherwise act to bring about improvements and betterments will be placed on actual notice of this provision.

16. Tenant's Maintenance. You agree that at your expense you will maintain, repair, replace and keep the Premises and all improvements, fixtures and personal property thereon in good, safe, neat and sanitary condition, order and repair and in accordance with all applicable laws, ordinances, orders, rules and regulations of governmental authorities having jurisdiction. You will perform or contract for and promptly pay for your own interior window washing services, interior painting, repair and replacement of all interior and exterior doors including roll-up doors, repair, maintenance and replacement of damaged or broken flooring, interior and exterior glass, sinks, windows, plate glass and other breakable materials, and replacement of interior light bulbs, light fixtures and ballasts in or serving the Premises or any other repairs or cleaning required to maintain or return the Premises (or the Building, to the extent you have caused any damage to the Building in our sole discretion) to the condition required by this Lease and associated Rules and Regulations. All repairs at a cost above two thousand, five hundred dollars (\$2500.00) shall be supervised by a representative of ours, and you shall be responsible for coordinating such supervision with the contractor and our representative.

17. Landlord's Maintenance. We will maintain and replace the exterior walls and structural elements of the Building. We will also maintain and replace all other facilities, fixtures, and equipment in the Building, contract for HVAC and elevator repair and replacement, contract for janitorial services for the Common Facilities, and contract for trash and garbage disposal for the Building. Our obligations under this Section and the timing of meeting them will be determined by us in our sole discretion. In no event will we be obligated to repair or replace any damage caused by your acts or omissions or those of your Agents (defined below), the repair and replacement of which will be your sole responsibility.

18. Hazardous Substances. You will promptly notify us of, respond to and clean up at your expense any release or threatened release of any Hazardous Substance into the drainage systems, soil, surface water, groundwater, or atmosphere, in a safe manner, in strict accordance with applicable laws, ordinances, orders, rules and regulations of governmental authorities having jurisdiction, and as authorized or approved by all federal, state, and/or local agencies having authority to regulate the permitting, handling, and cleanup of Hazardous Substances; provided, however, your obligations under this sentence shall not include any Hazardous Substances which you prove existed on the Property on the Commencement Date of the Term unless caused by or exacerbated by any act or omission of yours or of your Agents (defined below). You will not use, store, generate, treat, transport, or dispose of any Hazardous Substance at the Premises. You agree to indemnify, defend and hold us harmless from and against any suits, actions, legal or administrative proceedings, demands, claims, liabilities, fines, penalties, losses, injuries, damages, expenses or costs, including interest and attorneys' fees, incurred by, claimed or assessed against us in any way connected with any injury to any person or damage to any property, or any loss to us occasioned in any way by Hazardous Substances on the Property; provided, however, your obligations under this sentence shall not include any Hazardous Substances which you prove existed on the Property on the Commencement Date of this Lease, unless caused by or exacerbated by any act or omission of yours or your Agents. You agree to waive, release and discharge us forever from all present and future claims, demands, suits, legal and administrative proceedings and from all liability for damages, losses, costs, liabilities, fees and expenses, present and future, arising out of or in any way connected with any condition of environmental contamination of the Property, or the existence of Hazardous Substances in any state on the Property, however they came to be placed there. "Hazardous Substances" shall mean any product, substance, chemical, contaminant, material, waste, pollutant, flammable, explosive, radioactive material, hazardous or toxic material, hazardous or toxic waste, hazardous or toxic substance whose presence, nature, quantity and/or intensity of presence, use, possession, generation, treatment, handling, discharge, storage, manufacture, disposal, transportation, spill, release or effect, either by itself or in combination with other materials expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises; (ii) regulated or monitored by any governmental authority; or (iii) a basis for potential liability of us to any governmental agency or third party under any applicable statute or common law theory (including, but not limited to, CERCLA and RCRA; now in effect or which may hereafter come into effect or be amended. Hazardous Substances shall include, without limitation, asbestos, asbestos-containing material, hydrocarbons, polychlorinated biphenyl ("PCB"), PCB-containing material, petroleum, petroleum products, gasoline, crude oil or any fraction, product or byproduct thereof.

19. Assignment or Subletting. You may not assign this Lease or sublease the Premises, either in whole or in part. The term "assignment" also means a leasehold mortgage or other encumbrance of the leasehold, or the transfer of a majority of the assets or a controlling interest in the equity ownership of you or your Guarantor. Any assignment or sublease will be void as against us and will be an Event of Default by you under this Lease. The acceptance of Rent by us from anyone other than you will not be deemed to be a waiver by us of our rights under this Section, nor will it release or excuse you from primary liability under the Lease as the tenant who signed it, nor will it be deemed a consent by us to the assignment or sublease at issue.

20. Employment requirements. When hiring entry-level positions (as defined by the First Source Hiring Program - See Exhibit B), tenants shall utilize the First Source Hiring Program via SFMAde's Hiring Made Better program, in attempt to hire persons from a San Francisco low-income community. All entry-level positions must be filled by San Francisco residents. Tenant acknowledges that the Landlord obtained certain NMTC Financing secured by the Permitted Mortgages, the proceeds of which were used to construct the Facility, and that accordingly Tenant will benefit from such financing. Tenant further acknowledges that the terms of the loan documents that govern and secure such NMTC Financing will impose covenants and obligations upon Landlord, the performance and observance of which will (in whole or in part) be dependent on Tenant's actions and inactions as tenant of the Property. Landlord has provided to the Tenant the 150 Hooper New Markets Tax Credit Packet. Tenant hereby covenants and agrees that Tenant shall not violate or cause a violation of any of the NMTC obligations, and that Tenant shall perform its obligations hereunder on a prompt and timely basis to enable Landlord to comply with such NMTC obligations. Any failure by Tenant to observe or comply with the foregoing provisions that is not cured by (i) the end of the applicable cure period set

forth in Remedies of this Lease or (ii) the applicable cure period afforded to Landlord under the provisions of the Loan Documents (whichever is the shorter period) shall constitute a default under this Lease.

Tenant's Initials: RMS

21. Financial Statements. You agree to furnish to us, within ten (10) days after we request it, information on the numbers and types of your employees, the nature of your business activities, and a copy of your most recent financial statement, certified by you to be true and correct. In turn, we may deliver any such financial statements or information to any existing or prospective mortgagee, investor, lender, government body or purchaser of the Building. We will use reasonable efforts to request that your information be kept confidential. The financial statements shall include a balance sheet as of the end of, and a statement of profit and loss for, your preceding fiscal or calendar year.

22. Estoppel Certificates. You agree to sign and deliver to us, within seven (7) days after we request it, a written statement (that will be delivered to Tenant via certified mail) certifying (a) that this Lease is unmodified (or, if modified, stating the modifications) and in full force and effect; (b) the dates to which Monthly Rent and Additional Monthly Rent have been paid; (c) the amount of the Security Deposit held by us; (d) that there have been no defaults by us or you and no event which with the giving of notice or the passage of time, or both, would constitute such a default (or, if there have been defaults, setting forth the nature thereof); and (e) such other matters concerning this Lease as we may reasonably request. You agree that such statement may be delivered to and relied upon by any existing or prospective mortgagee or purchaser of the Building. If you fail to deliver the signed Estoppel Certificate to us within seven (7) days after we request it, an estoppel late fee of \$200 per day late will be charged to you as additional Rent, and at our option will be an Event of Default.

23. Landlord Access. You agree that we or our authorized representatives will have the right to enter the Premises at any reasonable time during ordinary business hours (or at any time in the event of an emergency) for the purposes of inspecting, repairing or maintaining the Premises or the Building, performing any alterations or improvements to the Premises or the Building as we may determine from time to time, performing any obligations of yours that you have failed to perform under this Lease, or for the purposes of showing the Premises to any existing or prospective mortgagee, purchaser or tenant of the Premises or the Building. You also agree that we may at any time and from time to time place on the Building or the Premises one or more signs advertising the Building or the Premises as being available for sale or for lease.

24. Insurance.

A. You shall procure and maintain, at your expense and throughout the Term, the following insurance:

1. Commercial general liability insurance which (1) insures against claims for bodily injury, personal injury, advertising injury and property damage arising from the use, occupancy or maintenance of the Premises or any other portion of the Building by you or any of your Agents, (2) insures without exclusion damage or injury arising from heat, smoke or fumes from a hostile fire, (3) has limits of not less than (i) \$1,000,000 per occurrence, (ii) \$2,000,000 general aggregate per location, (iii) \$1,000,000 products and completed operations aggregate;

2. Business auto liability insurance which insures against bodily injury and property damage claims arising out of ownership, use or maintenance of any auto with a combined single limit per accident of not less than \$1,000,000;

3. Worker's compensation in statutory limits and employer's liability insurance with limits of not less than \$500,000 for each accident, \$500,000 for each employee for bodily injury by disease, and \$500,000 policy limit for bodily injury by disease;

4. All-risk (special form or equivalent) property insurance covering all of your personal property, inventory, equipment, fixtures, alterations and improvements at the Premises up to the replacement value of such property; and

5. Business income and extra expense insurance with limits of at least 100% of your gross revenue for a twelve (12) month period.

B. Each liability insurance policy described above (except employer's liability policies) shall name us, our agents and advisors, our property manager, and the holders of any mortgage, deed of trust, ground lease and/or other similar instrument covering any or all of the Premises or the Building, and expressly

including any trustees, directors, officers, employees, agents, managers, members and authorized representatives of any of our and such entities (collectively, "Landlord Entities"), all as additional insureds. Each property insurance policy described above shall name us as loss payee with respect to any permanently affixed improvements to the Premises. All such policies shall (i) be issued by insurers licensed to do business in the State of California, (ii) be issued by insurers with a current rating of "A-" "XIII" or better in Best's Insurance Reports, (iii) be primary without right of contribution from any of our insurance, (iv) be written on an occurrence (and not claims-made) basis, and (v) be uncancellable without at least 30 days' prior written notice to us and any of our mortgagees. Before the Commencement Date (or, if earlier, the date you first enter into the Premises for any reason), you shall deliver to us certificates of insurance satisfactory to us for each such policy required above. Within 10 days before any such policy expires, you shall deliver to us a certificate of renewal evidencing replacement of the policy. The limits of insurance required by this Lease or as otherwise carried by you shall not limit the liability of you or relieve you of any obligations under this Lease, except to the extent provided in any waiver of subrogation contained in this Lease. You shall have sole responsibility for payment of all deductibles.

C. Notwithstanding anything to the contrary in this Lease, you and we each waives all rights to recovery, claims or causes of action against the other and the other's Agents on account of any loss or damage which may occur to the Premises, the Building or any improvements thereto or to any personal property of such party to the extent such loss or damage is caused by a peril which is required to be insured against under this Lease, regardless of the cause or origin (including negligence of the other party). We and you each covenants to the other that, to the fullest extent permitted by law, no insurer shall hold any right of subrogation against the other party. You covenant to us that all policies of insurance maintained by you respecting property damage shall permit such waiver of subrogation, and you agree to advise all of your insurers in writing of the waiver.

25. Tenant Indemnification. Except to the extent caused by our gross negligence or willful misconduct, you agree to protect, indemnify, defend and save us, and each of our successors, assigns and other affiliated or related parties ("Related Parties") harmless from and against all liability, obligations, claims, damages, penalties, causes of action, costs and expenses, including attorneys' fees, imposed upon, incurred by or asserted against us or its Related Parties by reason of (a) any accident, injury to or death of any person or loss of or damage to any property occurring on or about the Premises or (b) any failure on your part to perform or comply with any of your agreements contained in this Lease. You also agree that, in case any action, suit or proceeding is brought against us or any of our Related Parties by reason of any of the above, you will pay for our defense and the defense of our Related Parties in any such action, suit or proceeding.

26. Conditions Beyond Our Control. None of the following events, causes and/or occurrences shall entitle you to terminate this Lease or to assert any claim against us or to any reduction in Rent, nor shall the same constitute constructive or partial eviction, nor be a default by us under this Lease: (i) any noise, debris disruptions in access or disturbances caused by traffic or the blockage of traffic, or by construction activities occurring in the vicinity of the Property, (ii) any interruption or curtailment of any utility or other service to or in the Property or (iii) any evacuation order that compel residents of the area to leave in anticipation of a storm or other major natural occurrence.

27. No Liability of Landlord.

(i) All property belonging to you, or to any other person, located in or about the Premises or the Building will be at your sole risk or at the risk of such other person, and neither we nor our Related Parties will be liable for the theft or misappropriation thereof or for any damages or injury thereto.

(ii) Neither we nor our Related Parties will be liable for, and you have agreed to waive, all claims for any personal injury or property damage sustained by you, your guests or invitees resulting from causes such as, but not limited to, damage caused by water, wind, steam, heat or cold, dampness, gas, odors, noise, the backup, bursting or leaking of pipes, and plumbing, mechanical, electrical or ventilating systems, equipment and fixtures of all kinds, or for any act, neglect or omission of other tenants or their guests or invitees of the Building or of any other person, except for gross negligence or willful misconduct on our part which has led to a failure to make repairs within a reasonable time after we have received notice provided that such repairs are our obligation under this Lease. Nor are we responsible for your compliance costs in association with ADA, accessibility or other governmental claims related to your use of the Premises.

(iii) You agree to protect, indemnify and hold us harmless from all losses, costs or damages sustained by reason of any act or other occurrence causing injury to any persons or property due directly or indirectly to the use of the Property or any part thereof by you or your invitees and guests.

(iv) We will not be required to repair or replace any flooring or floor or wall coverings in the Premises during the Term and we will have no liability for damages to you for the condition thereof. In addition, we will not be liable for any damage thereto due to any Act of God, rain, wind, fire, water or flood.

(v) We will not be responsible or liable to you for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to or connected with the Premises or any part of the Building of which the Premises are a part, or any other area in the Building, or for any loss or damage sustained by you or your property from bursting, stoppage or leaking of water, gas, sewer or steam pipes, or (without limiting the foregoing) for any damages or loss of property within the Premises from any cause whatsoever.

(vi) If we shall fail to perform any covenant, term or condition of this Lease upon our part to be performed, you shall be required to deliver to us notice of the same. If, as a consequence of such default, you shall recover a money judgment against us, such judgment shall be satisfied only out of the right, title and interest of us in the Building, and out of rent from the Building receivable by us or out of consideration received by us from the sale or other disposition of all or any part of our right, title or interest in the Building, and no action for any deficiency may be sought or obtained by you.

28. Destruction. In the event of damage or destruction of the Premises by fire or any other casualty, we will have the right to decide whether to repair the damage and/or rebuild the Premises or whether to cancel this Lease. If we elect to cancel this Lease, we will give you thirty (30) days' advance written notice. If we elect to repair and/or rebuild, we will do so with all reasonable dispatch and a proportionate reduction of the Rent will be allowed for the period in which we do so, except (i) if you can use and occupy the Premises without substantial inconvenience or (ii) if the repairs are delayed because of your failure to adjust your own insurance, no reduction will be made beyond a reasonable time allowed for such adjustment. No penalty will accrue for any delay in rebuilding that may be caused by reason of adjustment of any insurance, the unavailability of qualified labor, or any other cause beyond our control.

29. Condemnation. If all or any part of the Premises is taken or condemned by, or conveyed in lieu thereof to, any public authority, we will have the right to terminate this Lease upon written notice to you. In the event we do so, you have agreed to waive any right to claim an award or compensation against us entirely and against the condemning authority for anything other than for your relocation expenses, if available.

30. Termination Rights.

(i) We will not terminate this Lease, except for cause (and except for express provisions of this Lease that give us the right to terminate). Cause will exist if:

(a) You create a disturbance or nuisance that is detrimental to the health, safety and comfort or peaceful lodging of the neighbors of the Premises;

(b) You are arrested for the commission of a felony or violent crime;

(c) You fail to observe the Rules and Regulations that we establish for the Building, as amended from time to time;

(d) You fail to pay any Rent within five (5) days after it becomes due;

(e) You fail to perform any other of your obligations under this Lease within ten (10) days after notice from us;

(f) You desert, vacate or abandon the Premises for a period of fifteen (15) days or more, unless your Rent is fully paid for that period;

(g) Your leasehold interest or any of your property in the Premises is executed upon, attached, or otherwise seized pursuant to due process of law; or

(h) This Lease is passed or permitted to pass by operation of law to any person or persons other than you.

(i) You suffer a bankruptcy, the appointment of a receiver taking possession of substantially all your assets or take any action under any insolvency, bankruptcy or reorganization act.

Each of these events will be deemed an "Event of Default" by you under this Lease.

(ii) Prior to any termination of this Lease by us for any of the causes described in subparagraphs (a) or (c) above, we will give you notice and you will have 24 hours to correct the cause. Prior to any termination of this Lease by us for the cause described in subparagraph (b) above, we will give you notice and you will have 10 days to correct the cause. If the cause is corrected within the time frame applicable to such cause, then this Lease will not be terminated. If the cause is not corrected within such applicable time frame, this Lease will terminate at the expiration of that time frame without any further notice from us.

(iii) In the event that you die, this Lease will terminate thirty (30) days thereafter. However, if the Premises is leased above to more than one person, this Lease will not terminate if the survivor elects to continue the Lease by written notice to us within that thirty (30) day period and continues paying the Rent.

(iv) Upon the expiration or termination of this Lease for any reason, you will promptly vacate and surrender the Premises in accordance with Section 33 and return all of your keys to us. Any of your personal property that is not removed at that time may be removed, stored or otherwise disposed of by us at your expense.

31. Remedies.

(i) If an Event of Default occurs, we will have the following rights:

(a) To perform any act or to do anything required under this Lease to be performed by you as the Tenant.

(b) at its option and without any further notice or demand, in addition any other rights and remedies given under this Lease or by law, do any of the following:

1. We shall have the right, so long as such event of default continues, to give notice of termination to Tenant, and on the date specified in such notice this Lease shall terminate.
2. In the event of any such termination of this Lease, we may then or at any time thereafter, reenter the Premises and remove therefrom all persons and property and again repossess and enjoy the Premises, without prejudice to any other remedies that we may have by reason of Tenant's default or of such termination.
3. In the event of any such termination of this Lease, and in addition to any other rights and remedies we may have, we shall have all of the rights and remedies of a landlord provided by Section 1951.2 of the California Civil Code. The amount of damages which we may recover in event of such termination shall include, without limitation, (i) the worth at the time of award (computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent) of the amount by which the unpaid Monthly Rent for balance of the term after the time of award exceeds the amount of rental loss that you prove could be reasonably avoided, (ii) all legal expenses and other related costs incurred by us following the Event of Default, (iii) all costs incurred by us in restoring the Premises to good order and condition, or in remodeling, renovating or otherwise preparing the Premises for reletting, and (iv) all costs (including, without limitation, any brokerage commissions) incurred by us in reletting the Premises.
4. For the purpose of determining the unpaid Monthly Rent in the event of a termination of this Lease, or the Monthly Rent due under this Lease in the event of a reletting of the Premises, the Monthly Rent reserved in this Lease shall be deemed to be the sum of the Monthly Rent due under Paragraph 6 above and the amounts last payable by you pursuant to Paragraph 6 above and any "free rent" or Monthly Rent and additional rent waived or abated by Landlord as an inducement for you to enter into this Lease.
5. Our acceptance of payment from you of less than the amount of Monthly Rent then due shall not constitute a waiver of any rights of us or you including our right to recover possession of the Premises.

6. After terminating this Lease, we may remove any and all personal property located in the Premises and place such property in a public or private warehouse or elsewhere at your expense.

(ii) In addition, we will have a statutory and contractual lien for rent upon all property brought by you to the Premises, and you will be obligated and liable to reimburse us for all court costs and reasonable attorney's fees and appellate attorney's fee, incurred by us in the enforcement of this Lease, whether suit is brought or not.

(iii) All of our rights will be cumulative, and the exercise of any right will not operate as a waiver or an exclusion of any other rights afforded to us under this Lease or under the laws of the State of California.

32. Waiver of Reinstatement. You hereby waive all rights under California Code of Civil Procedure Section 1179 and California Civil Code Section 3275 providing for relief from forfeiture, and any other right now or hereafter existing to redeem the Premises or reinstate this Lease after termination of this Lease under Paragraph 31 or by order of judgment of any court or by any legal process.

33. Waiver of Counterclaims and Trial by Jury. Each of us (Landlord and Tenant) agree, to the extent permitted by applicable law, to waive all right to trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other (except for personal injury or property damage) on any matters whatsoever arising out of or in any way connected with this Lease, your use of or occupancy of the Premises, and any emergency statutory or any other statutory remedy. You agree not to interpose any counterclaim or counterclaims or claims for set-off, recoupment or deduction of rent in a summary proceeding for nonpayment of rent or other action or summary proceeding based on termination, holdover or other default in which we may seek repossession of the Premises from you, unless the failure to raise the same would constitute a waiver thereof.

34. Attorney's Fees. In case suit shall be brought for recovery of possession of the Premises, for the recovery of Rent or any other amount due under the provisions of this Lease, or because of the breach of any other covenant herein contained on your part to be kept and performed, and a breach of the Lease by you is established, you agree to pay or reimburse us for all expenses incurred therefor, including reasonable attorneys' fees and disbursements, including those incurred in all trial and appellate levels, as well as those incurred in any bankruptcy proceedings. Furthermore, in the event of any other action or proceeding is brought by either party against the other under this Lease, the prevailing party shall be entitled to recover all costs and expenses including its attorneys' fees in such action or proceeding in such amount as the court may deem reasonable. The prevailing party shall be determined by the court based upon an assessment of which party's major arguments made or positions taken in the proceedings could fairly be said to have prevailed over the other party's major arguments or positions on major disputed issues in the court's decision. If the party which shall have commenced or instituted the action, suit or proceeding shall dismiss or discontinue it without the concurrence of the other party, such other party shall be deemed the prevailing party.

35. Surrender. Upon the expiration or earlier termination of this Lease, or on the date specified in any demand for possession by us after an Event of Default by you, you agree to surrender possession of the Premises to us, in broom clean appearance, ordinary wear and tear excepted, with all lighting, doors, electrical and mechanical systems in good working order and condition, all walls in clean condition and holes or punctures in the floors and walls repaired, and otherwise in the same condition as when you first occupied the Premises and all telecommunications, data, utility or other wires, cables or other equipment or facilities in the Premises installed by you or for use by you will be removed by you. You also agree to remove, at or prior to the expiration or earlier termination of the Lease, all of your equipment, apparatus, machinery, signs, furniture, furnishings, wires, cables or other telecommunications, data or utility equipment or facilities, and other personal property used in the operation of your business (as distinguished from the use and operation of the Premises) and repair any damage caused by such removal. We shall not be liable or responsible for storage or disposition of such personal property. You hereby waive any rights to notice under California law, and any right to reclaim any of your personal property. Upon our request, you shall execute a Bill of Sale transferring such personal property to us, which Bill of Sale shall provide that (a) you are the lawful owner of the personal property; (b) you have paid any and all personal property taxes on the personal property; (c) the personal property is not subject to any liens or other encumbrances; and (d) the personal property is in good working order and condition.

36. Holding Over. If you hold over after the expiration of the Lease, without the written agreement of us providing otherwise, you will be deemed a trespasser upon the Premises, without permission from us. In that event, the holdover will be at a rental, payable in advance, equal to two hundred percent (200%) of the Monthly Rent and Additional Monthly Rent payable under this Lease immediately prior to the holdover, and you will

also be bound by all of the other terms, covenants and agreements of this Lease. Nothing contained herein should be construed as giving you any right to hold over at any time, and in the event you holdover, we may exercise any and all remedies at law or in equity to recover possession of the Premises, as well as any damages that we may incur because of your failure to vacate the Premises and deliver possession to us when required under this Lease.

37. Repayment of Lease Inducements. If this Lease provides for the postponement of or an abatement of any portion of the Rent for any period, the amount of such Rent to be abated is referred to herein as the "Abated Rent". Notwithstanding the above, you will have earned the right to the benefit of such Abated Rent and/or Advanced Tenant Improvement Costs only upon the fulfillment of the entire Term of this Lease, and then, only if you have fully, faithfully and punctually performed all of your obligations under this Lease, including the payment and performance of all of your obligations hereunder, and the timely surrender of the Premises in the condition required under this Lease. Accordingly, if an Event of Default occurs under this Lease, then the full amount of the Abated Rent that is not yet amortized as of the date of such Event of Default shall become immediately due and payable in full by you to us, and this Lease may be enforced by us as if there had been no such Abated Rent in connection with this Lease.

38. Waiver; Election of Remedies. One or more waivers of any covenant or condition by us shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by us to or of any act by you requiring our consent or approval shall not be deemed to render unnecessary our consent or approval to or of any subsequent similar act by you. Whenever you claim under any provision of this Lease requiring us not to unreasonably withhold our consent or approval that we have unreasonably withheld our consent or approval, you will have no claim for damages by reason of such alleged withholding, and your sole remedy therefor shall be declaratory or injunctive relief, but in any event without the recovery of damages. The failure to insist upon a strict performance of any term, condition or covenant contained in this Lease will not be deemed a waiver of any rights or remedies that we may have and shall not be deemed a waiver of any subsequent breach or default in the terms, conditions or covenants herein contained, and any such failure shall not be construed as creating a custom of our accepting other than strict performance or as modifying in any way the terms, covenants or conditions of this Lease. No breach by you of a covenant or condition of this Lease will be deemed to have been waived by us, unless that waiver is in a writing signed by us. No act or thing done by us shall be deemed an acceptance of surrender of the Premises and no agreement to accept such surrender shall be valid unless in writing signed by us. Our rights and remedies under this Lease will be cumulative and in addition to any and all other rights and remedies that we have elsewhere in this Lease or at law or equity.

39. Subordination. This Lease is subject and subordinate to all mortgages which may now constitute or hereafter be placed upon the Building and to any renewals, modifications, consolidations, replacements and extensions thereof. You have agreed that this subordination is and shall remain self-operative throughout the term, without the execution of any instruments by you other than this Lease. However, you also agree that at our request, you will sign whatever documents may be necessary or appropriate to confirm and establish this Lease as subordinate to any mortgage (including, without limitation, such mortgagee's form of subordination, non-disturbance and attornment agreement). If any mortgagee or purchaser at foreclosure thereof, succeeds to our interest in the Building, such person shall not be (i) liable for any act or omission of ours under this Lease; (ii) liable for the performance of our covenants hereunder which arise prior to such person succeeding to our interest hereunder; (iii) bound by the payment of any Rent which you may have paid more than one month in advance; (iv) liable for any security deposit which was not delivered to that person; or (v) bound by any modifications to this Lease to which such mortgagee has not consented in writing.

40. Non-Waiver. Your liability to pay Rent, perform the terms, covenants, agreements, conditions and promises contained in this Lease, and discharge any duty imposed by law will not be waived, released or terminated by the service of any statutory notice or other notice or demand upon you by us or by the institution and/or prosecution of legal proceedings against you. The acceptance of Rent by us after an Event of Default by you will not constitute a waiver by us of any term, condition, covenant, promise or agreement contained in this Lease, nor will it constitute a waiver of insistence upon the performance of any duty imposed on you by law. No waiver of any default by you with respect to this Lease will be construed as a continuing waiver.

41. Right to Repair. If, in our reasonable judgment, we deem any repairs or replacements, which are a result of your neglect or damage, necessary to keep the Premises in good working order and condition, we may demand that you make the same and if you refuse or neglect to commence such repairs or replacements promptly and to complete them with reasonable dispatch, we may, at our option (but without obligation), make or cause to be made such repairs or replacements to be made, and we will not be responsible to you for any loss or damage arising as a result thereof. In the event we make or cause to be made such repairs or

replacements, for your account, the entire cost thereof shall be payable by you to us, on demand, together with interest at the maximum rate provided by law for the period commencing on the date we notify you of such expenditure by us and concluding on the date of such reimbursement.

42. Accord and Satisfaction. No payment by you or receipt by us of a lesser amount than the monthly Rent herein stipulated shall be deemed to be other than on account of the earliest stipulated Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and we will accept such check or payment without prejudice to our right to recover the balance of such Rent or to pursue any other remedy provided in this Lease and as though that endorsement or statement had never been made.

43. Interest on Past Due Obligations. Any amount due from you to us hereunder that is not paid when due shall bear interest at the highest legal rate on the date due until paid, but the payment of such interest shall not excuse or cure any Event of Default by you under this Lease.

44. Transfer of the Building or Assignment By Us. In the event that our interest or estate in the Building terminates by operation of law, or by sale, lease or by other transfer of the Building or by execution of foreclosure sale or for any other reason, then and in any such event and upon notice to you, we will be released and relieved from all liability and responsibility as to obligations to be performed by us hereunder or otherwise; and in such event, our successor will become liable and responsible to you in respect to all such obligations of us under this Lease. We may assign leases, rights or rents without liability or continued obligation, or fulfill any other condition required by a lender, purchaser, or any party with rights to the Building.

45. Notices. All notices, approvals and demands that either party hereto desires or is required to give the other shall be in writing and delivered by personal delivery or by certified mail, registered mail or by a nationally recognized overnight courier service (e.g. FedEx) at the addresses indicated in Section 1 above. Either party may change its address from time to time by giving notice to the other. Any notice to you during the Term of this Lease will also be effective if delivered to or affixed to the Premises, regardless of whether or not you are then in occupancy or are present at the Premises at that time.

46. Your Assumption of Liability and Indemnity. You assume full responsibility and liability for the acts or omissions of yours and your Agents while they are in the Building or at the Building. Further, you will hold us harmless from, and indemnify us against, any and all claims for injuries and damages sustained on or about the Premises or Building as the result of any act or omission by you or your employees, agents, contractors, visitors, suppliers, shippers, subtenants, licensees, representatives, customers, officers, members, directors, shareholders, partners and/or invitees (collectively "Agents").

47. Miscellaneous Provisions.

(i) Entire Agreement; Severability: This Lease contains the entire agreement between the parties, and any agreement hereafter made to amend or modify this Lease shall be ineffective and invalid unless the same is in writing and executed by both parties. All prior agreements between you and us are incorporated into this Lease. No agreement to accept a surrender of the Premises will be valid unless that acceptance is agreed to in writing by us. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall not affect the validity of any other provision of this Lease.

(ii) Recordation: This Lease or any memorandum hereof will not be recorded without the express prior written consent of us.

(iii) Modifications: No alteration, amendment, change or addition to this Lease shall be binding upon either party hereto unless and until reduced to writing and signed by both parties, and no approvals consents or waivers by us under this Lease will be valid unless and until reduced to writing and signed by us.

(iv) Time of the Essence: Time will be of the essence of this Lease.

(v) Successors: This Lease will be binding upon and shall inure to the benefit of us and you and their respective heirs, successors and permitted assigns.

(vi) Counterparts: It is understood and agreed that this Lease may be executed in several counterparts, each of which, for all purposes, shall be deemed to constitute an original, and all of which

counterparts, when taken together, will be deemed to constitute one and the same agreement, even though both of the parties hereto shall not have executed the same counterpart.

(vii) Confidentiality: The terms of this Lease are confidential. You agree not to disclose any of the terms, rental information, pricing or other information regarding this Lease to any other tenants in the building or considering the building or to any other Landlord or competitor of ours or anyone who is likely to share such information with any other Landlord or competitor of ours. The disclosure of such information without our prior written consent shall be a default on this Lease and we shall be entitled to all contractual and legally enforceable remedies in the event of such disclosure.

(viii) Choice of Law: This Lease shall be governed by the laws of the State in of California. Any litigation between the parties to this Lease concerning this Lease shall be initiated in the county of San Francisco.

(ix) OFAC Compliance/Patriot Act. You represent and warrant that (a) neither you nor any person or entity that directly or indirectly owns an interest in it nor any of its officers, directors, or managing members is a person or entity (each, a "Prohibited Person") with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including Executive Order 13224 (the "Executive Order") signed on September 24, 2001 and entitled "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism"), or other governmental action, (b) your activities do not violate the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 or the regulations or orders promulgated thereunder (as amended from time to time, the "Money Laundering Act") (i.e., Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Patriot Act"), and (c) throughout the Term of this Lease you shall comply with the Executive Order, the Money Laundering Act, and the Patriot Act.

(x) Broker's Fees. You represent and warrant that you have dealt with no broker, agent or other person in connection with this transaction, other than as named in Section 1, and that no broker, agent or other person brought about this transaction other than named Broker(s), and you shall indemnify and hold us harmless arising out of or involving any broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with you with regard to this transaction.

(xi) Quiet Possession. Upon payment by you of the Rent for the Premises and the performance of all of the provisions of this Lease on your part to be observed and performed, you shall have quiet possession of the Premises for the entire Term, subject to all of the provisions of this Lease.

(xii) CASp. Pursuant to California Civil Code Section 1938, we hereby notify you that neither the Building nor the Premises have been inspected by a Certified Access Specialist (a "CASp"). A CASp can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

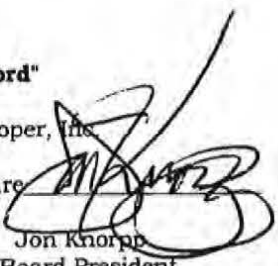
(xiii) Authority. Each person signing on behalf of us or you warrants and represents that she or he is authorized to execute and deliver this Lease and to make it a binding obligation of us or you, respectively. You also agree that your entity executing this Lease is in good standing, duly formed and registered to conduct business.

48. Radon Gas. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in California. Additional information regarding radon and radon testing may be obtained from your county health department.

IN WITNESS WHEREOF, we and you have executed this Lease as of the Date of this Lease first above written.

"Landlord"

150 Hooper, Inc.

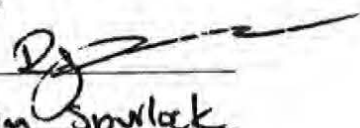
Signature: 

Name: Jon Knorpp

Title: Board President

"Tenant"

Humanmade

Signature: 

Name: Ryan Spurlack

Title: Executive Director

Exhibit A

RULES AND REGULATIONS

A. General Rules and Regulations. The following rules and regulations govern the use of the Premises, Building and Common Facilities. You will be bound by such rules and regulations and agree to cause your Agents, visitors and guests to observe the same. These rules may be modified by us at any time in our sole discretion. You are also subject to the rules and regulations and restrictions in the Declaration of Covenants, Conditions and Restrictions for 100-150 Hooper Street dated May 24th, 2017 or as amended, which governs the Building and its parcel and adjacent areas.

1. You may access the building 24 hours a day seven days a week subject to our access rights and rights to limit access to the building for repairs, security concerns, health hazard or any other reasonable concern of ours.

2. No sign, placard, picture, advertisement, name or notice may be installed or displayed on any part of the outside or inside of the Building without our prior consent. We will have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule. Absolutely no paper or cardboard signs shall be permitted, even if such signs are posted only on a temporary basis. All permitted signs are to be in conformance with the Sign Criteria for the Building.

3. If we object in writing to any curtains, blinds, shades, screens or hanging plants or other similar objects attached to or used in connection with any window or door of the Premises, or placed on any windowsill, which is visible from the exterior of the Premises, you will immediately discontinue such use. You shall not place anything against or near glass partitions or doors or windows which may appear unsightly from outside the Premises.

4. You will not obstruct any sidewalks, passages, exits, loading areas or entrances of the Building or Building. We will in all cases retain the right to control and prevent access to the Common Facilities of all persons whose presence in our judgment would be prejudicial to the safety, character, reputation and interest of the Building or its tenants, provided that nothing contained in this Lease will be construed to unreasonably prevent such access to persons with whom any tenant normally deals in the ordinary course of its business, unless such persons are engaged in illegal or unlawful activities.

5. We expressly reserve the right to absolutely prohibit sales and displays of products, goods and wares in all portions of the Building. We reserve the right to restrict and regulate the use of the Common Facilities of the Building by invitees of tenants providing services to tenants on a periodic or daily basis including food and beverage vendors. Such restrictions may include limitations on time, place, manner and duration of access to a tenant's premises for such purposes.

6. Overnight lodging is not permitted at the Building.

7. All use of the Premises is confined to the interior of the Premises only.

8. Smoking and use of vapor products are prohibited in the interior and within 50 feet of the exterior of the Building.

9. We reserve the right to prevent access to the Building or Building in case of invasion, mob, riot, public excitement or other commotion.

10. If you require telegraphic, telephonic, burglar alarm, satellite dishes, antennae or similar services, it will first obtain our approval, and comply with our reasonable rules and requirements applicable to such services, which may include separate licensing by, and fees paid to, us.

11. No deliveries will be made which impede or interfere with other tenants or the operation of the Building or Building.

12. Except as expressly agreed in writing by us, you will not use or keep in the Premises any kerosene, gasoline or inflammable or combustible fluid or material other than those limited quantities

necessary for the operation or maintenance of business equipment. You will not use or permit to be used in the Premises any foul or noxious gas or substance, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to us or other occupants of the Building by reason of noise, odors or vibrations, except as allowable by the PDR code for PDR-1-D uses.

13. We reserve the right, exercisable without notice and without liability to you, to change the name and street address of the Building. Without our consent, you will not use the name of the Building in connection with or in promoting or advertising your business except as your address.

14. You will not make any building-to-building solicitation of business from other tenants in the Building. You will not use the Premises for any business or activity other than that specifically provided for in this Lease. Canvassing, soliciting and distribution of handbills or any other written material, and peddling in the Building are prohibited, and you will cooperate with us to prevent such activities.

15. Except for the ordinary hanging of pictures and wall decorations and except for improvements approved by us in writing, you will not mark, drive nails, screw or drill into the partitions, floors, ceilings, woodwork or plaster or in any way deface the Premises or any part of the Premises, except in accordance with the provisions of this Lease pertaining to alterations. You will not affix any floor covering to the floor of the Premises in any manner except as approved by us. You shall repair any damage resulting from noncompliance with this rule.

16. We reserve the right to exclude or expel from the Building any person who, in our judgment, is intoxicated or under the influence of liquor or drugs or who is in violation of any of these Rules and Regulations.

17. You will store all trash and garbage within its Premises or in other facilities approved by us. You will not place in any trash box or receptacle any material that cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. Material that cannot be disposed of in the ordinary manner must be arranged for legal disposal by you. All garbage and refuse disposal is to be made in accordance with directions issued from time to time by us.

18. Use and storage of bicycles at or around the Building are subject to availability as well as our rules and conditions. Motorized vehicles of any kind are prohibited in the bicycle storage areas. We are not responsible for the security or any loss or damage in the bicycle storage areas.

19. The Premises will not be used for lodging nor shall the Premises or building be used for any improper, illegal, immoral or objectionable purpose.

20. You shall comply with all safety, fire protection and evacuation procedures and regulations established by us or any governmental agency.

21. You assume any and all responsibility for protecting its Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.

22. You shall use at your cost such pest extermination and control contractor(s) for the Premises as we may direct and at such intervals as we may reasonably require.

23. To the extent we reasonably deem it necessary to exercise exclusive control over any portions of the Common Facilities for the mutual benefit of the tenants in the Building, we may do so subject to reasonable, non-discriminatory additional rules and regulations.

24. Your requirements will be attended to only upon appropriate application to our property manager for the Building.

25. You shall not store foods, pallets, drums or any other materials outside the Premises or in the Common Facilities.

26. These Rules and Regulations are in addition to, and will not be construed to in any way modify or amend, in whole or in part, the provisions of this Lease. We may waive any one or more of these Rules and Regulations for the benefit of you or any other tenant, but no such waiver by us will be

construed as a waiver of such Rules and Regulations in favor of you or any other tenant, nor prevent us from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Building.

27. You will not permit the recreational use, distribution, sale, storage, cultivation or manufacture of marijuana or marijuana products, or those of other controlled substances in the Premises or at the Building.

28. We reserve the right to make such other Rules and Regulations as in its judgment, may from time to time be needed for safety and security, for care and cleanliness of the Building and for the preservation of good order. You shall abide by all the Rules and Regulations stated in this Exhibit and any additional rules and regulations which we adopt. You are responsible for the observance of all of the foregoing Rules and Regulations by you and your Agents, guest and invitees.

29. We reserve the right, without cost or liability, to tow any vehicle if such vehicle is parked inappropriately near or at the Building or if such vehicle's audio theft alarm system remains engaged for an unreasonable amount of time.

30. No pets or animals are allowed in the Building except service animals.

31. You will not enter or use for any purpose the Loading area or Loading dock without our written permission and supervision. Use of the Loading area is subject to our Loading Area rules and restrictions.

32. You shall not service, maintain or repair vehicles on the Premises, in the Building, or in the Common Facilities. Washing, waxing, or cleaning of any vehicle in any area is prohibited.

Exhibit B

EMPLOYMENT REQUIREMENTS - FIRST SOURCE HIRING PROGRAM

See following pages:



Edwin M. Lee, Mayor

Office of Economic and Workforce Development
Workforce Development Division

**Exhibit B: First Source Hiring Agreement
For Business, Commercial, Operation and Lease Occupancy of the Building**

This First Source Hiring Agreement (this "Agreement"), is made as of May 15, 2018, by and between Humanmade (the "Lessee"), and the First Source Hiring Administration, (the "FSHA"), collectively the "Parties":

RECITALS

WHEREAS, Lessee has plans to occupy the building at 150 Hooper ("Premises") which required a First Source Hiring Agreement between the project sponsor and FSHA due to the issuance of building permit for 25,000 square feet or more of floor space or constructed ten or more residential units; and,

WHEREAS, the project sponsor was required to provide notice in leases, subleases and other occupancy contracts for use of the Premises ("Contract"); and

WHEREAS, as a material part of the consideration given by Lessee under this contract, Lessee has agreed to execute this Agreement and participate in the Workforce System managed by the Office of Economic and Workforce Development (OEWD) as established by the City and County of San Francisco pursuant to Chapter 83 of the San Francisco Administrative Code;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Parties covenant and agree as follows:

1. DEFINITIONS

For purposes of this Agreement, initially capitalized terms shall be defined as follows:

- a. **Entry Level Position:** Any non-managerial position that requires no education above a high school diploma or certified equivalency, and less than two (2) years training or specific preparation, and shall include temporary, permanent, trainee and intern positions.
- b. **Workforce System:** The First Source Hiring Administrator established by the City and County of San Francisco and managed by the Office of Economic and Workforce Development (OEWD).
- c. **Referral:** A member of the Workforce System who has been identified by OEWD as having the appropriate training, background and skill sets for a Lessee specified Entry Level Position.
- d. **Lessee:** Tenant, business operator and any other occupant of the building requiring a First Source Hiring Agreement as defined in SF Administrative Code Chapter 83. Lessee shall include every

person tenant, subtenant, or any other entity occupying the building for the intent of doing business in the City and County of San Francisco and possessing a Business Registration Certificate with the Office of Treasurer.

- e. Program Coordinator: an individual designated by the Project Manager (150 Hooper, Inc.) to administer the Program Manager's Commitments pursuant to Section 2 of the MOU (dated April 30, 2018) between 150 Hooper, Inc. and the First Source Hiring Administrator.

2. OEWD WORKFORCE SYSTEM PARTICIPATION

- a. Lessee shall notify Program Coordinator of every available Entry Level Position to allow OEWD 10 business days to recruit and refer qualified candidates prior to advertising such position to the general public. Lessee shall provide feedback including but not limited to job seekers interviewed, including name, position title, starting salary and employment start date of those individuals hired by the Lessee no later than 10 business days after date of interview or hire. Lessee will also provide feedback on reasons as to why referrals were not hired. Lessee shall have the sole discretion to interview any Referral by Program Coordinator and will inform Program Coordinator why specific persons referred were not interviewed. Hiring decisions shall be entirely at the discretion of Lessee.
- b. This Agreement shall be in full force and effect throughout the Lessee's occupancy of the building.

3. GOOD FAITH EFFORT TO COMPLY WITH ITS OBLIGATIONS HEREUNDER

Lessee will make good faith efforts to comply with its obligations under this Agreement. Determination of good faith efforts shall be based on all of the following:

- a. Lessee will execute this Agreement and attachment *Exhibit B-1* upon entering into leases for the commercial space of the building. Lessee will also accurately complete and submit *Exhibit B-1* annually to reflect employment conditions.
- b. Lessee agrees to allow Program Coordinator to register their company with The San Francisco Jobs Portal, upon execution of this Agreement.
- c. Lessee shall notify Program Coordinator of all available Entry Level Positions 10 business days prior to posting with the general public. The Lessee must identify a single point of contact responsible for communicating Entry-Level Positions and take active steps to ensure continuous communication with Program Coordinator.
- d. Lessee accurately completes and submits Exhibit B-1, the "First Source Employer's Projection of Entry-Level Positions" form to Program Coordinator upon execution of this Agreement.
- e. Lessee fills at least 50% of open Entry Level Positions with First Source referrals (via Program Coordinator). Specific hiring decisions shall be the sole discretion of the Lessee.
- f. Nothing in this Agreement shall be interpreted to prohibit the continuation of existing workforce training agreements or to interfere with consent decrees, collective bargaining agreements, or existing employment contracts. In the event of a conflict between this Agreement and an existing agreement, the terms of the existing agreement shall supersede this Agreement.

Lessee's failure to meet the criteria set forth in Section 3 (a.b.c.d.e.) does not impute "bad faith" and shall trigger a review of the referral process and compliance with this Agreement. Failure and noncompliance with this Agreement will result in penalties as defined in SF Administrative Code Chapter 83, Lessee agrees to review SF Administrative Code Chapter 83, and execution of the

Agreement denotes that Lessee agrees to its terms and conditions.

4. NOTICE

All notices to be given under this Agreement shall be in writing and sent via mail or email as follows:

ATTN: Business Services, Office of Economic and Workforce Development
1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103
Email: Business.Services@sfgov.org

5. This Agreement contains the entire agreement between the parties and shall not be modified in any manner except by an instrument in writing executed by the parties or their respective successors. If any term or provision of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected. If Agreement is executed in one or more counterparts, each shall be deemed an original and all, taken together, shall constitute one and the same instrument. Agreement shall inure to the benefit of and shall be binding upon the parties to this Agreement and their respective heirs, successors and assigns. If there is more than one person comprising Seller, their obligations shall be joint and several. Section titles and captions contained in this Agreement are inserted as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any of its provisions. This Agreement shall be governed and construed by laws of the State of California

Date: 7/3/2018

Signature: _____

Name of Authorized Signer: _____

Company: _____

Phone: _____

Email: _____

Ryan Sprick
Ryan Sprick
Humanmade
650 303 - 8442
Ryan@Humanmade.org

IN WITNESS WHEREOF, the following have executed this Agreement as of the date set forth above.



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT



FIRST SOURCE HIRING PROGRAM

WORKFORCE PROJECTIONS FORM

EXHIBIT B-1 WORKFORCE PROJECTIONS FOR BUSINESS, COMMERCIAL, OPERATION AND LEASE OCCUPANCY

Business Name: Humanmade Phone: 650-303-8442
Main Contact: Ryan Spurlock Email: ryan@humanmade.org


Signature of authorized representative*

7/3/2010
Date

*By signing this form, the lessee agrees to participate in the Workforce System managed by the Office of Economic and Workforce Development (OEWD) and comply with the provisions of Exhibit B First Source Hiring Agreement pursuant to San Francisco Administrative Code Chapter 83.

Instructions:

- Upon entering into leases for the commercial space of the building, the Lessee must submit to Program Coordinator, a signed Exhibit B and Exhibit B-1. Lessee will also complete and submit an Exhibit B-1 annually to reflect employment conditions.
- The employer must notify the Program Coordinator if an **Entry Level Position** becomes available.

Section 1: Select your Industry

- | | | |
|--|--|--|
| <input type="checkbox"/> Auto Repair | <input type="checkbox"/> Entertainment | <input type="checkbox"/> Personal Services |
| <input type="checkbox"/> Business Services | <input type="checkbox"/> Elder Care | <input type="checkbox"/> Professionals |
| <input type="checkbox"/> Consulting | <input type="checkbox"/> Financial Services | <input type="checkbox"/> Real Estate |
| <input type="checkbox"/> Construction | <input type="checkbox"/> Healthcare | <input type="checkbox"/> Retail |
| <input type="checkbox"/> Government Contract | <input type="checkbox"/> Insurance | <input type="checkbox"/> Security |
| <input type="checkbox"/> Education | <input checked="" type="checkbox"/> Manufacturing | <input type="checkbox"/> Wholesale |
| <input type="checkbox"/> Food and Drink | <input type="checkbox"/> I don't see my industry (Please Describe) _____ | |

Section 2: Describe Primary Business Activity

Workshop space for manufacturing and prototyping

Section 3: Provide information on all Entry Level Positions

Entry-Level Position Title	Job Description	Number of New Hires	Projected Hiring Date
None at this time			

Please email, fax, or mail this form SIGNED to:

ATTN: Program Coordinator
SFMade, #A5
1885 Mission Street

Tel: 415-408-5605
Email: info@sfmade.org
Website: www.sfmade.org