



San Francisco
Water Power Sewer

Services of the San Francisco Public Utilities Commission

525 Golden Gate Avenue, 10th Floor
San Francisco, CA 94102
T 415-487-5210

November 14, 2017

Via Email to pvillareal@midpen-housing.org

Peter Villareal, Director of Housing Development
MidPen Housing Corporation
303 Vintage Park Drive, Suite 250
Foster City, CA 94404

Re: Letter of Intent for a New Ground Lease for approximately 1.92 acres of SFPUC Parcel 201A located adjacent to the Shorebreeze Apartments located at 460 N. Shoreline Boulevard in Mountain View, California (Premises)

Dear Mr. Villareal:

As you know, the City, through its Public Utilities Commission (SFPUC), and Mountain View Apartments entered into that certain ground lease agreement dated February 26, 1980 for a 51-year term for the Premises for use as parking and landscaping (Lease). The Lease term commenced on April 1, 1980 and expires on March 31, 2031. The Lease was subsequently assigned to Mountain View Associates Limited Partnership, and re-assigned to Mid-Peninsula Housing Coalition. At the time of this re-assignment, the SFPUC consented to Mid-Peninsula Housing Coalition's sublease with MP Shoreline Associates Limited Partnership. MP Shoreline Associates Limited Partnership and MP Shorebreeze Associates, L.P. (collectively, the "Subtenants") and the SFPUC now wish to enter into a new direct lease with the SFPUC to use the Premises.

We are prepared to recommend to our Commission that the SFPUC enter into a new ground lease with the Subtenants for the Premises containing the following high level terms and conditions:

Use: Tenant may use the Premises for parking and landscaping for an affordable housing apartment complex and for no other purpose.

Duration: 60 years with no options to extend the lease term.

Improvements: Prior to installing any improvements, Tenant will, at its sole cost and expense: (i) submit 100% plans and specifications to the SFPUC and obtain the SFPUC's written approval (which may be granted or withheld at the SFPUC's sole discretion) for the Improvements; and (ii) obtain all necessary approvals and permits from applicable governmental authorities with jurisdiction to install the Improvements.

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OUR MISSION: To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.



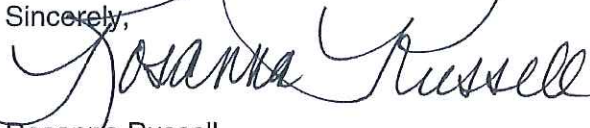
Approvals: The SFPUC will enter into the lease subject to the following conditions: (i) completion of environmental/CEQA review of the lease; (ii) approval of Tenant's 100% completion plans and specifications by the City of Mountain View and the SFPUC; and (iii) the review and approval of the lease by, as applicable, the Commissioners of the SFPUC, the San Francisco Board of Supervisors and the Mayor (collectively, the "Approvals").

Form: The standard SFPUC ground lease form will be used.

Please note that this Letter of Intent is not an offer. Notwithstanding either party's execution hereof, nothing in this Letter of Intent will create a legally enforceable agreement, and no party will be bound to anything unless and until a lease has been fully negotiated, drafted and executed by both parties.

Please sign and return this letter of intent by 5 p.m. on December 1, 2017, otherwise it shall expire. Please contact me if you have any questions.

Sincerely,



Rosanna Russell
Real Estate Director

Accepted by Subtenants:

MP Shoreline Associates Limited Partnership,
a California limited partnership

By: Mid-Peninsula Shoreline, Inc., a California nonprofit public benefit corporation, its general partner



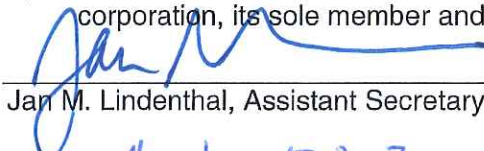
Jan M. Lindenthal, Assistant Secretary

Dated: November 15, 2017

MP Shorebreeze Associates, L.P.,
a California limited partnership

By: MP Shorebreeze Expansion, LLC, a California limited liability company, its general partner

By: Mid-Peninsula Baker Park, Inc., a California nonprofit public benefit corporation, its sole member and manager



Jan M. Lindenthal, Assistant Secretary

Dated: November 15, 2017