

OPTION AGREEMENT
FOR THE PURCHASE AND SALE OF REAL PROPERTY

by and between

CITY AND COUNTY OF SAN FRANCISCO,
as City,

TRANSBAY JOINT POWERS AUTHORITY,
as Authority,

and

REDEVELOPMENT AGENCY
OF CITY AND COUNTY OF SAN FRANCISCO,
as Agency

For the option to purchase

Certain Parcels Within the Transbay Redevelopment Project Area
San Francisco, California

JANUARY 31, 2008

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OPTION AGREEMENT FOR THE PURCHASE AND SALE OF REAL PROPERTY

(All or a portion of the following: Block 3718, Lot 025 and Lot 027; Block 3721, Lot 015A; Block 3736, Lot 007, Lot 018, Lot 089 and Lot 120; Block 3737, Lot 005, Lot 012 and Lot 027; Block 3738, Lot 004; Block 3739, Lot 008; Block 3749, Lot 052, Lot 061 and Lot 064; and Block 3764, Lot 068; San Francisco)

THIS OPTION AGREEMENT FOR THE PURCHASE AND SALE OF REAL PROPERTY (this "Agreement") is entered into as of this 31 day of January, 2008, by and between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City"), the TRANSBAY JOINT POWERS AUTHORITY, a joint powers agency created under California Government Code Sections 6500 *et seq.* ("Authority") and the REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body corporate and politic, established pursuant to the Community Redevelopment Law of the State of California ("Agency"). For purposes of this Agreement, "Party" means City, Authority or Agency, as a party to this Agreement, and "Parties" means the City, Authority and Agency, as parties to this Agreement. Furthermore, for purposes of this Agreement, "Grantor", means either the City or Authority.

THIS AGREEMENT IS MADE WITH REFERENCE TO THE FOLLOWING FACTS AND CIRCUMSTANCES:

A. The State of California, acting by and through its Department of Transportation ("State") owns and operates the Transbay Transit Terminal and its associated bus ramps ("Transbay Terminal") in the City as a regional transit hub utilized by several transit providers, including the San Francisco Municipal Railway, the Golden Gate Bridge, Highway and Transportation District, the Alameda-Contra Costa Transit District ("AC Transit"), the San Mateo County Transit District, and Greyhound Lines.

B. Damage from the Loma Prieta Earthquake of 1989 resulted in the demolition of the Transbay Terminal, leaving State with vacant parcels of land, some of which are currently leased as parking lots (each, a "State-Owned Parcel" and collectively, the "State-Owned Parcels").

C. In January 2001, the Transbay Panel of Metropolitan Transportation Commission determined that the existing Transbay Terminal does not meet projected transit operational needs and is in need of significant remodeling or replacement to improve transit services in the San Francisco Bay Area.

D. In order to determine the existence of blighting conditions and the feasibility of adopting a redevelopment plan for the area including the Transbay Terminal and the State-Owned Parcels, and roughly bounded by Mission, Main, Folsom and Second Street, the San Francisco Board of Supervisors established a Transbay Redevelopment Survey Area (the "Survey Area").

E. On June 21, 2005, the Agency approved a Transbay Project Area Redevelopment Plan for all or a substantial portion of the Survey Area ("Transbay Redevelopment Plan") and identified the potential for a new regional transit terminal and for transit-oriented development of the State-Owned Parcels within the Survey Area.

F. On April 4, 2001, the City, AC Transit and the Peninsula Corridor Joint Powers Board created the Authority and authorized the Authority to develop, design, construct and operate a new Transbay Terminal and ramps on the site of the existing structure.

G. On October 4, 2002, a draft Environmental Impact Statement, Environmental Impact Report (the "EIS/EIR"), and Section 4(f) Evaluation was issued by City, Agency, the Peninsula Corridor Joint Powers Board, and the Federal Transit Administration for the Transbay Terminal-Caltrain Downtown Extension-Redevelopment Project (the "Transbay Terminal Project"). On March 18, 2004, a final EIS/EIR (the "Final EIS/EIR") was published, and on April 20, 2004, the Final EIS/EIR was certified by the City, Agency and the Peninsula Corridor Joint Powers Board.

H. In accordance with Section 33413(b) of the Community Redevelopment Law (the "CRL"), at least fifteen (15) percent of all new and substantially rehabilitated dwelling units developed within the Redevelopment Plan Area by public or private entities other than the Agency shall be available at affordable housing cost to, and occupied by, persons and families of very low-, low- or moderate-income, as defined by the California Health and Safety Code. In addition to the requirements of the CRL, California Public Resources Code Section 5027.1 (the "Public Resources Code") sets minimum affordable housing requirements that increases the minimum affordable housing requirements for any redevelopment plan adopted to finance the demolition of the Transbay Terminal and construction of a new terminal. The Public Resources Code requires that at least twenty-five (25) percent of all dwelling units developed within the Transbay Project Area shall be available at affordable housing cost to, and occupied by, persons and families whose incomes do not exceed sixty (60) percent of the area median income, and that an additional ten (10) percent of all dwelling units developed within the Transbay Project Area shall be available at affordable housing cost to, and occupied by, persons and families whose incomes do not exceed one hundred twenty (120) percent of the area median income. However, to ensure consistency with Agency policy, the maximum income eligibility for owner-occupied units will be one hundred (100) percent of the area median income.

I. A newly constructed multi-modal Transbay Terminal could benefit the State and the San Francisco Bay region by providing the region with an improved mass transit hub. The Transbay Terminal Project (1) has the potential to provide expanded bus and rail service and direct access to and from the San Francisco-Oakland Bay Bridge, resulting in more efficient bus and train service and more convenience for the passengers utilizing those transit systems; (2) has significant potential to ease traffic congestion and improve traffic flow on City streets in and around the Survey Area; and (3) could receive tax increment funding from all State-Owned Parcels and proceeds from sales of the State-Owned Parcels, if a final Transbay Redevelopment Plan is structured to dedicate such funds to the construction and operation of a new Transbay Terminal, and if the parties perform their respective obligations under the Tax Increment Allocation and Sales Proceeds Pledge Agreement by and between Agency, Authority and City, dated of even date herewith (the "Pledge Agreement"), incorporated as though set forth fully herein.

J. The Authority has agreed to cooperate with the Agency in implementing the Redevelopment Plan and to reimburse certain Agency Costs and Agency Administrative Fees pursuant to the Transbay Redevelopment Project Implementation Agreement between the Authority and Agency, dated as of January 20, 2005 ("Implementation Agreement"), incorporated as though set forth fully herein.

K. State has determined that the ownership and operation of a regional transit terminal is most appropriately a local or regional function and State and the Parties have determined that the sale and development of certain of the State-Owned Parcels would represent a significant source of potential funding for a new Transbay Terminal.

L. State is assisting local and regional authorities in their efforts to construct a new Transbay Terminal in downtown San Francisco by transferring specified State-Owned Parcels to the City and the Authority, as more particularly described in Exhibit A-1 attached hereto (the "Transferred Parcels"), pursuant to that certain Cooperative Agreement dated as of June 11,

2003, by and between City, State and the Authority (the "Cooperative Agreement"), incorporated as though set forth fully herein.

M. Pursuant to the Cooperative Agreement, State intends to convey to City certain of the Transferred Parcels as more particularly described in Exhibit A-2 attached hereto (the "City Parcels") and intends to convey to the Authority the balance of the Transferred Parcels, as more particularly described in Exhibit A-3 attached hereto (the "Authority Parcels").

N. City, Authority and Agency desire to enter into this Agreement in accordance with the terms of the Cooperative Agreement to implement the Transbay Redevelopment Plan.

O. Subject to the satisfaction of conditions set forth in this Agreement, City and Authority intend to grant options to acquire certain of the Transferred Parcels to Agency of which the potential parcels for transfer are more particularly described in Section 1.1 of this Agreement and on Exhibit A-4 attached hereto (the "Agency Transfer Parcels") for assembly, re-parcelization and development consistent with the requirements of the Transbay Redevelopment Plan. After exercising such options, Agency intends to transfer the Agency Transfer Parcels to third party developers, through the transfer of fee title, and allocate (i) the Gross Sales Proceeds, as defined in Section 6.1 of this Agreement, and (ii) all Net Tax Increment, as defined in Section 14.3 of this Agreement, generated from the Agency Transfer Parcels to Authority for the development of the new Transbay Terminal, which Transbay Terminal will be located on portions of the Authority Parcels.

P. Transfer from the City and the Authority to the Agency of the Agency Transfer Parcels is provided for in the Cooperative Agreement, and further, the City's Director of Real Property is authorized to take any and all steps and to make such transfers of the City Parcels to the Agency as the Director of Property deems necessary or appropriate in order to consummate the conveyances included in the Cooperative Agreement without any further action required by the City's Board of Supervisors pursuant to the Board of Supervisors' Resolution No. 441-03, dated July 8, 2003.

Q. Subject to the terms and conditions set forth in this Agreement, Agency now desires to acquire the exclusive and irrevocable right to purchase the Agency Transfer Parcels at no cost for the purposes of assembly, re-parcelization and development, and the City and Authority, each separately as Grantor, are willing to grant such right.

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

1. PROPERTY SUBJECT TO OPTION

1.1 Agency Transfer Parcels. The following property is subject to the Option granted below:

(a) The Agency Transfer Parcels, as more particularly shown in the map attached hereto as Exhibit A-4. Development of the Agency Transfer Parcels shall be subject to the completion of any environmental review required under the California Environmental Quality Act ("CEQA"), as reasonably determined by Agency;

(b) All improvements and fixtures located on the Agency Transfer Parcels (collectively, the "Improvements");

(c) Any and all of the Grantor's rights, privileges, and easements incidental or appurtenant to the Agency Transfer Parcels or Improvements, including, without limitation, any and all minerals, oil, gas and other hydrocarbon substances on and under any of the Agency

Transfer Parcels, as well as any and all development rights, air rights, water, water rights, riparian rights and water stock relating to the Agency Transfer Parcels, and any and all easements, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Agency Transfer Parcels or Improvements, and any and all of City's and Authority's right, title and interest in and to all roads and alleys adjoining or servicing the Agency Transfer Parcels or Improvements (collectively, the "Appurtenances") except as set forth in Section 7.

All of the items referred to in Sections 1.1(a), 1.1(b) and 1.1(c) above are collectively included in references to the Agency Transfer Parcels.

1.2 Cooperative Agreement. This Agreement is in furtherance of the Cooperative Agreement and the Transbay Redevelopment Plan. Agency shall abide by all of the terms and conditions of the Cooperative Agreement. In the event of any inconsistency between the terms of this Agreement and the Cooperative Agreement, the terms of the Cooperative Agreement shall control.

1.3 Cooperation between Parties for Transfer of Agency Transfer Parcels to Third Parties. The parties will work cooperatively and use good faith efforts to ensure that there are adequate resources to provide for the preparation and sale of the Agency Transfer Parcels to third parties, including, but not limited to, the resources necessary to address environmental contamination issues.

2. GRANT OF OPTION TO PURCHASE

2.1 Grant of Option. City and Authority grant to Agency the exclusive and irrevocable option to purchase the Agency Transfer Parcels (the "Option") on the terms and conditions of this Agreement.

2.2 Consideration for Option. The Parties agree:

(a) Agency shall prepare and sell the Agency Transfer Parcels, as designated, to third parties, and require the Gross Sales Proceeds to be deposited into the Trust Account as defined and implemented in the Cooperative Agreement and in Section 6.1 of this Agreement;

(b) Agency shall perform all of its obligations under the Implementation Agreement;

(c) Agency shall perform all of its obligations under the Pledge Agreement;

(d) City agrees to develop or cause to be developed all Agency Transfer Parcels retained by the City, subject to and in conformance with the Transbay Redevelopment Plan and shall undertake and complete all actions or proceedings necessary or appropriate to ensure the continued fulfillment of the objectives of the Transbay Redevelopment Plan and the "Plan Documents" as defined therein, including without limitation, preventing the recurrence or spread of conditions causing blight in the Transbay Redevelopment Plan project area. The foregoing notwithstanding, the Parties acknowledge and agree that (i) City satisfies its obligation to develop any retained Agency Transfer Parcels in conformance with the Transbay Redevelopment Plan if the City either transfers such retained parcels to a private third party subject to the requirements of the Transbay Redevelopment Plan as evidenced by the recordation of the Transbay Redevelopment Plan or transfers such retained parcels to a governmental entity not subject to the Transbay Redevelopment Plan after the Agency has determined not to exercise its option to acquire such parcels, and (ii) nothing in this Section 2.2(d) or elsewhere in this Agreement with regard to such actions or proceedings shall obligate the City to expend any sums of money or incur any costs except as otherwise specifically approved by the City's Board of

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Supervisors. Furthermore, the City will comply with the provisions of the Community Redevelopment Law, pursuant to Health and Safety Code Section 33670 *et seq.*, that generally entitle the Agency to all of the property tax revenues realized from growth in property values since the inception of the Transbay Redevelopment Plan to the extent that the Agency has incurred debt approved in accordance with the Community Redevelopment Law for the implementation of the Transbay Redevelopment Plan.

3. TERM OF OPTION

3.1 Term. The term of the Option shall commence as of the date first set forth above and shall expire or terminate on the earliest of the following dates (the "Term"):

(a) As to any particular Agency Transfer Parcel, the date that Agency acquires recorded fee title to such Agency Transfer Parcel; or

(b) As to any particular Agency Transfer Parcel, the date Agency cancels this Option; or

(c) As to any particular Agency Transfer Parcel, the day immediately following the Closing Date for the Agency Transfer Parcel; or

(d) As to any particular Agency Transfer Parcel, ninety (90) days after the Agency receives notice from the City or Authority, that the State has terminated or quitclaimed its easement for Temporary Construction or Trailer Offices under Sections III.C and F of the Cooperative Agreement; or

(e) The date this Agreement is terminated pursuant to its terms; or

(f) Such earlier date as State retakes title to an Agency Transfer Parcel pursuant to its Power of Termination (the "Power of Termination" as more particularly described in Section III.G of the Cooperative Agreement and set forth in Exhibit B attached hereto).

4. EXERCISE OF OPTION; TERMINATION OF AGREEMENT; QUITCLAIM DEED

4.1 Exercise Notice. Agency may exercise this Option by delivering to Grantor before the expiration of the Term (as defined in Section 3.1 above) written notice of the exercise of Agency's Option as to the Agency Transfer Parcel(s) described in the notice ("Exercise Notice"). Any subsequent development of the Agency Transfer Parcel(s) shall be subject to Agency's completion of any environmental review required under CEQA, as reasonably determined by Agency. Agency may first exercise the Option only after the following conditions have been satisfied:

(a) With respect to Authority Parcels A', C, I, G, H', F, N, O, and P", and City Parcels C", N', O', O", P and P' as depicted in Exhibit A-1, attached hereto, at any time after the State has relinquished its power of termination under Section (a)(2) in the Authority's or City's deed as attached to the Cooperative Agreement, or at such earlier time that such parcels are not being used for actual construction or demolition of ramps and siting of the temporary terminal facility.

(b) Grantor has acquired fee title to and the legal authority to dispose of such applicable Agency Transfer Parcel(s), and Grantor and Agency have mutually agreed to the legal description of such Agency Transfer Parcel(s), which shall generally conform to the applicable depiction thereof in Exhibit A-1 attached hereto; and

(c) The Agency's Commission has adopted, in its sole and absolute discretion, a resolution approving and authorizing the transactions contemplated by this Agreement.

(d) The City's Board of Supervisors, in its sole and absolute discretion, has adopted the Transbay Redevelopment Plan including all of the Agency Transfer Parcels, and has approved execution of the Pledge Agreement.

Agency may exercise all subsequent Options only after Grantor has acquired fee title to and the legal authority to dispose of such Agency Transfer Parcel(s). Agency acknowledges and agrees that the City may transfer that portion of Agency Transfer Parcel B to the adjacent landowner as shown on the Survey Map attached as Schedule 1 at any time prior to Closing, and the Option shall automatically terminate as to such transferred portion as of any such transfer thereof.

4.2 Cancellation of Option. Agency may cancel its Option with respect to any particular Agency Transfer Parcel by delivering to Grantor written notice of such cancellation at any time prior to Agency's delivery of an Exercise Notice with respect to such Agency Transfer Parcel, and prior to receipt of any reimbursement of Agency Administrative Fees under the Implementation Agreement for Agency work regarding the particular parcel.

4.3 Termination of Agreement. In the event that this Agreement is terminated by either party as permitted under any provision of this Agreement or the Option is not exercised upon or prior to the expiration of the Term, then the Option shall become void and of no further force or effect, and neither party shall have any further obligation to the other hereunder except with respect to obligations which expressly survive such termination.

4.4 Obligation to Deliver Quitclaim Deed or other Instrument. Upon the expiration of the Term or in the event this Agreement and/or the Option is otherwise terminated for any reason, upon City's or Authority's written request, Agency shall promptly execute and deliver to Grantor a quitclaim deed or other document (in recordable form) as may be required by any title company designated by Grantor to release any right of Agency to purchase one or more of the remaining Agency Transfer Parcels as requested by Grantor. Such document shall be provided by Grantor to Agency together with such written request of Grantor.

5. AGREEMENT ON BASELINE VALUATION OF STATE-OWNED PARCELS PRIOR TO THIRD PARTY OFFERINGS

5.1 Baseline Valuation. The Agency may seek an appraisal to determine a baseline valuation for any State-Owned Parcel subject to this Agreement prior, or subsequent, to delivering an Exercise Notice to the Grantor (the "Baseline Valuation"). According to the requirements for determining Gross Sales Proceeds, as provided in Section 6 of this Agreement, such appraisal will be conducted by a MAI appraiser using commonly accepted practices and standards and may include consideration of Transbay Redevelopment Plan development restrictions, environmental contamination, legally required affordable housing, and other conditions which reasonably effect the fair market value. The Agency's determination of a Baseline Valuation will occur prior to the Agency's offering of a State-Owned Parcel to a third-party. The Baseline Valuation will represent the minimum price the Agency will accept for a specific State-Owned Parcel and accordingly the final price, or Gross Sales Proceeds, received by the Agency subsequent to the disposition process will not be less than, but may exceed the Baseline Valuation.

5.2 Submission of Baseline Valuation to the State. The Agency, Authority or City, will submit the Baseline Valuation to the State with a request for response within thirty (30) days indicating if the State objects to or accepts the Baseline Valuation (the "Response Period"). The Parties agree that such submittal is in substantial compliance with the notice requirements of Section III, G (1) of the Cooperative Agreement, which requires Caltrans to file an objection to the terms within a thirty-day period.

5.3 Process Following Submission to the State. If the State does not respond within the Response Period, or if the State files an objection within the Response Period, the Parties agree to meet and confer to determine how to proceed in either requesting a response from the State or resolving the issues related to the State's objections (the "Dispute Period"). Furthermore, the Parties agree, that notwithstanding Section 4.2 of this Agreement, the Agency may rescind its Exercise Notice for any State-Owned Parcel at any time during the Dispute Period.

5.4 Review by the City's Board of Supervisors of Agency Third Party Offerings. The City's Board of Supervisors will review and approve transfers of the Agency Transfer Parcels from the Agency to third parties prior to the final transfer of the parcels consistent with the review and approval process provided in California Health and Safety Code Section 33433.

6. GROSS SALES PROCEEDS

6.1 Gross Sales Proceeds. Agency acknowledges that its title to Agency Transfer Parcels and the title conveyed to a third party shall be subject to the State's Power of Termination as set forth in the Cooperative Agreement until the Gross Sales Proceeds are deposited in the Authority's Trust Account. The terms "Gross Sales Proceeds" and "Trust Account" are defined in Sections I.I and III. G of the Cooperative Agreement. Fair market value for each Agency Transfer Parcel will be determined by an MAI appraiser using commonly accepted practices and standards, unless a Baseline Valuation pursuant to Section 5.1 has already occurred. The parties agree that, consistent with the definition of Gross Sales Proceeds, the Agency's good faith acceptance of a final purchase price may include consideration of Transbay Redevelopment Plan development restrictions, environmental contamination, legally required affordable housing, and other conditions which reasonably effect the fair market value. Agency shall cause the escrow holder to pay directly to the Trust Account the Gross Sales Proceeds for each Agency Transfer Parcel conveyed to Agency immediately upon conveyance of such Agency Transfer Parcel to a third party, through the transfer of fee title. Grantor shall have the right to review and approve any escrow instructions submitted by Agency to escrow holder in connection with any conveyance of an Agency Transfer Parcel by Agency to a third party. Agency may retain title to all or a portion of any Agency Transfer Parcel for uses consistent with the Transbay Redevelopment Plan and such title will remain subject to the State's Power of Termination. Nothing in this Agreement shall require the Agency to convey all or a portion of any Agency Transfer Parcel to a third party, but Agency's obligations in this Section 6.1 shall survive termination of the Cooperative Agreement.

6.2 Closing Costs. Agency shall pay all closing costs related to the transfer of the Agency Transfer Parcels from the Grantor to the Agency, including, without limitation, all title insurance, survey, escrow and recording costs.

7. TITLE

7.1 Conditions of Title. At the Closing, Grantor shall convey its right, title and interest in and to the Agency Transfer Parcels to Agency by quitclaim deed substantially in the form of Exhibit B attached hereto (the "Deed"). Title to the Agency Transfer Parcels shall be subject to (a) all exceptions and exclusions in preliminary title reports to be prepared by Chicago Title Company, 388 Market Street, Suite 1300, San Francisco, California 94111 (the "Title Company"), (b) liens of local real estate taxes and assessments, (c) all existing exceptions and encumbrances, whether or not disclosed by a current preliminary title report or the public records or any other documents delivered to Agency by Grantor, including, without limitation, the parking lot leases more specifically described in Exhibit C attached hereto (the "List of Leases and Easements"), any replacement parking lot leases(s) entered into by City or Authority following termination of existing leases(s) as provided in Section II.C of the Cooperative Agreement (collectively, "Grantor Replacement Leases"), the temporary construction and storage easements granted to the State in connection with the WASSP (the "Temporary

Construction Easements”), if any, the temporary easement, if any, reserved by State in its quitclaim deed to Grantor for office and parking use for the WASSP Resident Engineers (the “WASSP Resident Engineers Easement”), and those other documents listed on Exhibit C attached hereto, if any, (d) the State's Power of Termination, (e) easements, structures, fixtures and appurtenances required for a temporary bus terminal, bus ramps, and a railroad tunnel as determined by the Authority for the Transbay Terminal Project, (f) the prohibition on transfer of development rights as more particularly described in Section III.G of the Cooperative Agreement and set forth in Exhibit B attached hereto, and (g) any other exceptions to title which would be disclosed by an accurate survey or inspection of each of the properties. All of the foregoing exceptions to title shall be referred to collectively as the “Conditions of Title.” Agency further acknowledges that it has reviewed the preliminary title report and all underlying documents and has obtained its own survey of the Agency Transfer Parcels.

7.2 Agency's Responsibility for Title Insurance. Agency understands and agrees that the right, title and interest to be acquired in the Agency Transfer Parcels shall not exceed that vested in Grantor, and Grantor is under no obligation to furnish any policy of title insurance in connection with this transaction. Agency recognizes that any fences or other physical monument of the Agency Transfer Parcels' boundaries lines may not correspond to the legal description of the Agency Transfer Parcels. Grantor shall not be responsible for any discrepancies in the parcel area or location of the property lines or any other matters which an accurate survey or inspection might reveal. It is Agency's sole responsibility to obtain a survey and a policy of title insurance, if desired.

8. AS IS PURCHASE; RELEASE OF GRANTOR

8.1 Agency's Independent Investigation of the Agency Transfer Parcels. Agency represents and warrants to Grantor that Agency has performed (or will have performed prior to any Exercise Notice) a diligent and thorough inspection and investigation of each and every aspect of the Agency Transfer Parcels, either independently or through agents of Agency's choosing, including, without limitation, with regard to the following matters (collectively, the “Property Conditions”):

(a) All matters relating to title including, without limitation, the existence, quality, nature and adequacy of any access to the Agency Transfer Parcels.

(b) The condition of title to the Agency Transfer Parcels and any survey matters relating to the Agency Transfer Parcels, including, but not limited to, the total square footage of the Agency Transfer Parcels.

(c) The zoning, redevelopment plan, and other legal status of the Agency Transfer Parcels, including, without limitation, the compliance of the Agency Transfer Parcels or their operation with any applicable codes, laws, regulations, statutes, resolutions and private or public covenants, conditions and restrictions, and all governmental and other legal requirements such as taxes, assessments, use permit requirements and building and fire codes.

(d) The quality, nature, adequacy, and physical, geological and environmental condition of the Agency Transfer Parcels (including soils and any groundwater), and the presence or absence of any Hazardous Materials in, on, under or about the Agency Transfer Parcels or any other real property in the vicinity of the Agency Transfer Parcels. As used in this Agreement, “Hazardous Material” shall mean any petroleum or petroleum product, asbestos, polychlorinated biphenyls, underground storage tanks and the contents thereof, flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials, including but not limited to any such materials defined in or regulated pursuant to any of the laws referenced in Section 8.4 below, and in any regulations adopted and publications promulgated pursuant thereto, as such laws or regulations may now

exist or may exist in the future, or any other substance or material defined as a Hazardous Material by the Cooperative Agreement.

- (e) The suitability of the Agency Transfer Parcels for Agency's intended uses.
- (f) The economics and development potential, if any, of the Agency Transfer Parcels.
- (g) All other matters of material significance affecting the Agency Transfer Parcels.

8.2 Entry and Indemnity. In connection with any entry by Agency or its Agents (as defined in Section 16.7 below) onto the Agency Transfer Parcels prior to the Closing Date (as defined in Section 10.2(a) below), Agency shall give Grantor reasonable advance written notice of such entry and shall conduct such entry and any inspections in connection therewith so as to minimize, to the extent possible, interference with uses being made of the Agency Transfer Parcels and otherwise in a manner and on terms and conditions acceptable to Grantor. All entries by Agency or its Agents onto the Agency Transfer Parcels to perform any testing or other investigations which could affect the physical condition of the Agency Transfer Parcels (including, without limitation, soil borings) or the uses thereof will be made only pursuant to the terms and conditions of a permit to enter substantially similar to the City's form and with such insurance and indemnity provisions as are reasonably satisfactory to Grantor. Without limiting the foregoing, prior to any entry to perform any on-site testing, Agency shall give Grantor written notice thereof, including the identity of the company or persons who will perform such testing and the proposed scope of the testing. Grantor shall have the right to approve or disapprove the proposed testing within ten (10) business days after receipt of such notice. If Agency or its agents, employees or contractors take any sample from the Agency Transfer Parcels in connection with any approved testing, upon written request Agency shall provide to Grantor a portion of such sample being tested to allow Grantor, if it so chooses, to perform its own testing. Grantor or its representative may be present to observe any testing or other inspection performed on the Agency Transfer Parcels. Agency shall promptly deliver to Grantor copies of any reports relating to any testing or other inspection of the Agency Transfer Parcels performed by Agency or its agents, employees or contractors.

Agency shall maintain, and shall require that its Agents maintain, public liability insurance, including Agency self-insurance reasonably acceptable to Grantor, and property damage insurance in amounts and in form and substance adequate to insure against all liability of Agency and its Agents arising out of any entry or inspection of the Agency Transfer Parcels in connection with the transaction contemplated hereby, and Agency shall provide Grantor with evidence of such insurance coverage upon request from Grantor.

To the fullest extent permitted under law, Agency shall indemnify, defend and hold harmless Grantor, its Agents, and each of them, from and against any liabilities, costs, damages, losses, liens, claims and expenses (including, without limitation, any liabilities and indemnity obligations that Grantor may have to the State under the Cooperative Agreement and reasonable fees of attorneys, experts and consultants and related costs), except to the extent that Grantor has indemnification from the State pursuant to Section IV. E of the Cooperative Agreement, arising out of or relating to the conduct of Agency, its Agents, contractors or subcontractors or its or their activities during any entry on, under or about the Agency Transfer Parcels in performing the inspections, testing or inquiries provided for in this Agreement, whether prior to the date of this Agreement or during the term hereof, including, without limitation, any injuries or deaths to any persons (including, without limitation, Agency's Agents) and damage to any property, from any cause whatsoever. The foregoing indemnity shall survive beyond the Closing Date, or, if the sale is not consummated, beyond the termination of this Agreement.

8.3 "As-Is" Purchase. AGENCY SPECIFICALLY ACKNOWLEDGES AND AGREES THAT GRANTOR IS CONVEYING AND AGENCY IS ACCEPTING THE AGENCY TRANSFER PARCELS ON AN "AS-IS WITH ALL FAULTS" BASIS SUBJECT TO ALL APPLICABLE LAWS, RULES AND ORDINANCES, INCLUDING WITHOUT LIMITATION, ANY ZONING ORDINANCES, THE TRANSBAY REDEVELOPMENT PLAN, OR OTHER REGULATIONS GOVERNING THE USE, OCCUPANCY OR POSSESSION OF THE AGENCY TRANSFER PARCELS. AGENCY REPRESENTS AND WARRANTS THAT AGENCY IS RELYING SOLELY ON ITS INDEPENDENT INVESTIGATION AND NOT ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM GRANTOR OR ITS AGENTS AS TO ANY MATTERS CONCERNING THE AGENCY TRANSFER PARCELS, THEIR SUITABILITY FOR AGENCY'S INTENDED USES OR ANY OF THE PROPERTY CONDITIONS. GRANTOR DOES NOT GUARANTEE THE LEGAL, PHYSICAL, GEOLOGICAL, ENVIRONMENTAL OR OTHER CONDITIONS OF THE AGENCY TRANSFER PARCELS, NOR DOES IT ASSUME ANY RESPONSIBILITY FOR THE COMPLIANCE OF THE AGENCY TRANSFER PARCELS OR THEIR USE WITH ANY STATUTE, RESOLUTION OR REGULATION. THE AGENCY AGREES THAT NEITHER GRANTOR NOR ANY OF GRANTORS' AGENTS HAVE MADE, AND GRANTOR DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY CONDITIONS.

8.4 Release of Grantor With Regard to Hazardous Materials. As part of its agreement to accept the Agency Transfer Parcels in their "As-Is With All Faults" condition, Agency, on behalf of itself and its successors and assigns, waives any right to recover from, and forever releases and discharges, Grantor, its officers, employees, agents, contractors and representatives, and their respective heirs, successors, legal representatives and assigns, except to the extent that Grantor has indemnification from the State pursuant to Section IV. E of the Cooperative Agreement, from any and all demands, claims, legal or administrative proceedings, losses, liabilities, damages, penalties, fines, liens, judgments, costs or expenses whatsoever (including, without limitation, attorneys' fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with (i) the physical, geological or environmental condition of the Agency Transfer Parcels, including, without limitation, any Hazardous Materials in, on, under, above or about the Agency Transfer Parcels, and (ii) any federal, state, local or administrative law, rule, regulation, order or requirement applicable thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended by Superfund Amendments and Reauthorization Act of 1986 ("SARA") (42 U.S.C. Sections 9601-9657), the Resource Conservation and Recovery Act of 1976, as amended by the Solid Waste and Disposal Act of 1984 (collectively, "RCRA") (42 U.S.C. Sections 6901-6987), the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977 (collectively the "Clean Water Act") (33 U.S.C. Sections 1251 *et seq.*), the Toxic Substances Control Act ("TSCA") (15 U.S.C. Sections 2601-2629), Hazardous Materials Transportation Act (49 U.S.C. Section 1801 *et seq.*), the Carpenter-Presley-Tanner Hazardous Substance Account Law (commonly known as the "California Superfund" law) (California Health and Safety Code Sections 25300-25395), Hazardous Waste Control Act (California Health and Safety Code Section 25100 *et seq.*), Hazardous Materials Release Response Plans and Inventory Law (commonly known as the "Business Plan Law") (California Health and Safety Code Sections 25500 *et seq.*), Porter-Cologne Water Quality Control Act (California Water Code Section 13000 *et seq.*), Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65") (California Health and Safety Code Section 25249.5 *et seq.*).

In connection with the foregoing release, Agency expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR EXPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR.

BY PLACING ITS INITIALS BELOW, AGENCY SPECIFICALLY ACKNOWLEDGES AND CONFIRMS THE VALIDITY OF THE RELEASES MADE ABOVE AND THE FACT THAT AGENCY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THE ABOVE RELEASES.

INITIALS: AGENCY: _____

8.5 Hazardous Materials Indemnity.

(a) Agency, its successors and assigns (collectively, "Indemnitor"), shall indemnify, defend and hold Grantor, its officers, employees, agents, successors, and assigns (collectively, "Indemnitee") harmless from and against any and all liabilities (including, without limitation, any liabilities and indemnity obligations that Grantor may have to the State under the Cooperative Agreement), losses, claims, demands, penalties, fines, settlements, damages (including, without limitation, foreseeable and unforeseeable consequential damages), response, remedial or inspection costs, and any expenses (including, but not limited to, attorney and consultant fees, laboratory costs and litigation costs) of whatever kind or nature, known or unknown, contingent or otherwise, which are incurred by or asserted against Indemnitee (other than by virtue of acts of Indemnitee) after the Closing Date, except to the extent that Grantor has indemnification from the State pursuant to Section VI. E of the Cooperative Agreement, and arise from or relate directly to (i) any Hazardous Materials from, in, on, under or affecting or otherwise resulting from operations or activities on the Agency Transfer Parcels, (ii) migration of Hazardous Materials onto the Agency Transfer Parcels from any contiguous property or onto any other property from the Agency Transfer Parcels, (iii) past disposal of Hazardous Materials on the Agency Transfer Parcels by any person, known or unknown, (iv) the removal, treatment, remediation or disposal of Hazardous Materials on or from the Agency Transfer Parcels, and (v) any personal injuries or property damages, real or personal, any violations of law or of orders, regulations, requirements or demands of governmental authorities, and any lawsuit brought or threatened, settlement reached or governmental order arising out of or in any way related to Hazardous Materials on, in, from under or affecting or otherwise resulting from operations or activities on the Agency Transfer Parcels.

(b) Whenever requested by Indemnitor, Indemnitee shall give Indemnitor all reasonable aid in investigating the subject matter of a claim, securing evidence, obtaining witnesses, prosecuting or defending any action or proceeding, effecting settlement, and in any other lawful act which in the opinion of Indemnitor may be necessary or desirable in connection with the defense, compromise or settlement of any claim to which this Section applies. If Indemnitor is prejudiced by the failure of Indemnitee to furnish the required cooperation, Indemnitor's obligations under this Section shall terminate, including any liability or obligation to defend or continue any litigation with regard to the matter or matters requiring such cooperation. Under no circumstances shall Indemnitee be required to incur any expense in connection with its obligations hereunder.

(c) Within thirty (30) days following Indemnitor's receipt of notice from Indemnitee of the existence of a claim against Indemnitee, Indemnitor shall notify Indemnitee whether it accepts, denies or conditionally accepts the obligation to defend and indemnify Indemnitee against such claim.

(d) The agreement to indemnify, defend and hold harmless set forth in this Section is in addition to, and in no way shall be construed to limit or replace, any other

obligations or liabilities which Indemnitor may have to Indemnitee in this Agreement, at common law or otherwise.

(e) Indemnitee agrees to give prompt notice to Indemnitor with respect to any suit or claim initiated or threatened to be initiated against Indemnitee, and in no event later than the earlier of (a) twenty (20) days after valid service of process as to any filed suit or (b) sixty (60) days after receiving notification of the filing of such suit or the assertion of such claim, which Indemnitee has reason to believe is likely to give rise to a claim for indemnity hereunder. If prompt notice shall not be given to Indemnitor, then Indemnitor's liability hereunder shall terminate as to the matter for which such notice is not given, provided, that failure to notify Indemnitor shall not prejudice the rights of Indemnitee hereunder unless Indemnitor shall be prejudiced by such failure, and then only to the extent of such prejudice. Indemnitor shall, at its option but subject to the reasonable consent and approval of Indemnitee, be entitled to control the defense, compromise, or settlement of any such matter through counsel of Indemnitor's own choice; provided, however, that in all cases Indemnitee shall be entitled to participate in such defense, compromise, or settlement at its own expense. If Indemnitor shall fail, however, in Indemnitee's reasonable judgment, within a reasonable time following notice from Indemnitee alleging such failure, to take reasonable and appropriate action to defend, compromise, or settle such suit or claim, Indemnitee shall have the right promptly to hire counsel at Indemnitor's sole expense to carry out such defense, compromise, or settlement, which expense shall be immediately due and payable to Indemnitee upon receipt by Indemnitor of an invoice therefor.

9. CONDITIONS

9.1 Grantor's Condition Precedent. The following are conditions precedent to Grantor's obligation to convey each Agency Transfer Parcel to Agency ("Grantor's Conditions Precedent"):

(a) Agency shall have delivered an Exercise Notice to Grantor with respect to such Agency Transfer Parcel in accordance with Section 4.1 hereof;

(b) Agency shall have performed all of its obligations hereunder required to be performed before conveyance of the Agency Transfer Parcel(s); and

(c) All of Agency's representations and warranties shall be true and correct.

9.2 Failure of Grantor's Conditions Precedent. Each of Grantor's Conditions Precedent are intended solely for the benefit of Grantor. If any of Grantor's Conditions Precedent are not satisfied as provided above, Grantor may, at its option, terminate Agency's Option to purchase the Agency Transfer Parcel(s) identified in the Exercise Notice. Upon any such termination, neither Party shall have any further rights or obligations hereunder with respect to the Agency Transfer Parcel(s) in question, except as provided in Sections 8.2, Entry and Indemnity, 13.2, No Brokers or Finders, or 16.4, Authority of Parties, or as otherwise expressly provided herein.

9.3 Agency's Conditions Precedent. The following are conditions precedent to Agency's obligation to accept the Grantor's conveyance of each of the Agency Transfer Parcels ("Agency's Conditions Precedent"):

(a) Issuance by Title Company (or agreement of Title Company to issue upon payment by Agency of all required premiums) of a CLTA Owner's policy or, at Agency's option, an ALTA extended coverage Owner's Policy of Title Insurance (Form B-1970 or equivalent satisfactory to Agency) insuring Agency as owner of fee simple title to the Agency Transfer Parcel(s) identified in Agency's Exercise Notice, subject only to the exceptions and exclusions contained in such policy and permitted under Section 7.1 hereof, and including such endorsements as Agency may reasonably request; and

(b) The absence of any pending legal challenge to or of this Agreement, Agency's exercise of the Option pursuant to this Agreement, or the Transbay Redevelopment Plan pertaining to the Agency Transfer Parcels.

(c) The receipt of a notice from the State of California that pursuant to Section III.G.1 of the Cooperative Agreement, and Section 5 of this Agreement, the State of California has no objection to the Agency's submission of the Baseline Valuation for such State-Owned Parcel.

9.4 Failure of Agency's Conditions Precedent. Each of Agency's Conditions Precedent are intended solely for the benefit of Agency. If any of Agency's Conditions Precedent are not satisfied as provided above by the Closing Date, Agency may, at its option, terminate Agency's Option to purchase the Agency Transfer Parcel(s) identified in the Exercise Notice. Upon any such termination, neither Party shall have any further rights or obligations hereunder with respect to the Agency Transfer Parcel(s) in question, except as provided in Sections 8.2, Entry and Indemnity, 13.2, No Brokers or Finders, or 16.4, Authority of Parties, or as otherwise expressly provided herein.

10. ESCROW AND CLOSING

10.1 Escrow. Within five (5) days after delivery of an Exercise Notice as to any Agency Transfer Parcel, Agency and Grantor shall deposit an executed counterpart of this Agreement with the Title Company, and this instrument shall serve as the instructions to the Title Company as the escrow holder for consummation of the conveyance contemplated hereby. Grantor and Agency agree to execute such supplementary escrow instructions as may be appropriate to enable the Title Company to comply with the terms of this Agreement.

10.2 Closing Date.

(a) The consummation of the purchases and sales contemplated hereby (each, a "Closing") shall be held, and delivery of all items to be made at each Closing under the terms of this Agreement shall be made, at the offices of the Title Company on the tenth (10th) business day of the first month succeeding Agency's exercise of the Option as to each Agency Transfer Parcel by delivery of an Exercise Notice, or such other date as Agency and Grantor may mutually agree upon in writing (as to each Agency Transfer Parcel, a "Closing Date"). Each such Closing Date may not be extended without the prior written approval of both Grantor and Agency.

(b) In no event shall the final Closing Date as to any Agency Transfer Parcel hereunder be extended beyond the expiration of the Term as provided in Section 3.1, without the prior approval of both Grantor and Agency, provided that Grantor may give or withhold such consent in its sole and absolute discretion and nothing herein shall limit Grantor's rights to terminate this Agreement in such event.

10.3 Deposit of Documents and Funds.

(a) At or before the Closing as to each Agency Transfer Parcel, Grantor shall deposit into escrow the following items:

(i) an original, duly executed and acknowledged Deed conveying the Agency Transfer Parcel to Agency subject to the Conditions of Title in the form attached hereto as Exhibit B (the "Form of Quitclaim Deed"); and

(ii) an original counterpart, duly executed Assignment and Assumption of Leases assigning the Existing Leases and Grantor Replacement Leases, if any, applicable to

the Agency Transfer Parcel to Agency, in the form attached hereto as Exhibit D (the "Assignment of Leases").

(b) At or before each Closing Date, Agency shall deposit into escrow:

(i) the funds necessary to close the transaction;

(ii) an original counterpart, duly executed Assignment of Leases; and

(iii) the duly executed and acknowledged original of the Agency's Certificate of Acceptance of each Agency Transfer Parcel to be attached to and recorded with each Deed.

(c) Notwithstanding any provision to the contrary in Section 10.3(b) above, the Agency shall have no obligation to deposit the Gross Sales Proceeds into escrow on or before a Closing Date, if Agency's transfer of title to the particular Agency Transfer Parcel or Agency Transfer Parcels to a third party will not occur concurrently with the Closing. If such transfer occurs subsequent to a Closing, then Agency shall deposit the applicable Gross Sales Proceeds into the Trust Account at the time such third party transferee takes title. The foregoing obligation of Agency to deposit all Gross Sales Proceeds from the sale of all Agency Transfer Parcels into the Trust Account shall survive beyond the Closing Date and beyond the termination of this Agreement.

(d) Grantor and Agency shall each deposit such other instruments as are reasonably required by the Title Company or otherwise required to close the escrow and consummate the purchase and sale of the Agency Transfer Parcels in accordance with the terms hereof.

10.4 Prorations. Any real property taxes and assessments, water, sewer and utility charges, amounts payable under any service contracts, annual permits and/or inspection fees (calculated on the basis of the period covered), and any other expenses normal to the operation and maintenance of the Agency Transfer Parcels, shall all be prorated as of 12:01 a.m. on the date each Deed is recorded, on the basis of a 365-day year. Grantor and Agency hereby agree that if any of the above described prorations cannot be calculated accurately on the Closing Date, then the same shall be calculated as soon as reasonably practicable after the Closing Date and either Party owing the other Party a sum of money based on such subsequent proration(s) shall promptly pay said sum to the other Party.

11. RISK OF LOSS

11.1 Loss. Grantor shall give Agency notice of the occurrence of damage or destruction of, or the commencement of condemnation proceedings affecting, all or any portion of any of the Agency Transfer Parcels. In the event that all or any portion of the Agency Transfer Parcels is condemned, or destroyed, or damaged by fire, or other casualty at any time following Agency's delivery of its Exercise Notice, but prior to the Closing Date, then Agency may, at its option to be exercised within ten (10) days of Grantor's notice of the occurrence of the damage or destruction or the commencement of condemnation proceedings, either terminate its Option with respect to the Agency Transfer Parcel(s) that are the subject of the damage, destruction or condemnation or consummate the conveyance as required by the terms hereof. If Agency elects to terminate this Agreement or fails to give Grantor notice within such 10-day period that Agency will proceed with the purchase of such Agency Transfer Parcel(s), then Agency's Option with respect to such Agency Transfer Parcel(s) shall terminate at the end of such 10-day period, and neither Party shall have any further rights or obligations hereunder with respect to such Agency Transfer Parcel(s) except as provided in Sections 8.2, Entry and Indemnity, 13.2, No Brokers or Finders, 16.4, Authority of the Parties, or otherwise expressly provided herein.

11.2 Self-Insurance. Notwithstanding anything to the contrary above, Agency and Authority acknowledge that City self-insures and City shall not be obligated to purchase any third party comprehensive liability insurance or property insurance. Agency and City acknowledge that Authority reserves the right to fulfill any insurance obligations required by this Agreement through its membership in and programs of the Special District Risk Management Authority ("SDRMA"). In addition, Grantor acknowledges that Agency self-insures and reserves the right to fulfill the insurance obligations required by this Agreement through Agency's participation in the public liability self-insurance and property damage insurance program available to the Agency through its membership in the Bay Cities Joint Powers Insurance Agency ("BCJPIA"), as well as any successor to BCJPIA.

12. MAINTENANCE; CONSENT TO NEW CONTRACTS

12.1 Maintenance of the Agency Transfer Parcels by Grantor. Between the date of State's conveyance of each of the Agency Transfer Parcels to Grantor and the Closing, Grantor shall maintain each Agency Transfer Parcel conveyed to Grantor from the State in good order, condition and repair, reasonable wear and tear excepted, shall perform all work required to be done by the landlord under the terms of any Existing Lease or Grantor Replacement Lease as to each Agency Transfer Parcel, and shall otherwise operate the Agency Transfer Parcels in the same manner as before the date of State's conveyance to Grantor, as if Grantor were retaining the Agency Transfer Parcels. Except with respect to changes to the Agency Transfer Parcels required by the Temporary Construction Easements, Grantor shall not make or permit any substantial change in the physical condition of the Agency Transfer Parcels owned by Grantor.

12.2 Monetary Encumbrances; New Contracts Affecting the Agency Transfer Parcels; Termination of Existing Contracts. Except as otherwise expressly provided herein, during the Term, Grantor shall not sell, grant, convey, assign or otherwise transfer ("Transfer") or grant an option which may result in a Transfer of any of the Agency Transfer Parcels or any portion thereof, or agree to do any of the same. After the date first written above, except with respect to Grantor Replacement Leases, Grantor shall not enter into any lease, or any amendment of an existing lease, affecting the Agency Transfer Parcels which has a term longer than thirty (30) days in duration without the prior written consent of Agency, which consent shall not be unreasonably withheld, conditioned or delayed. In the event that Grantor enters into any such lease, Grantors shall deliver to Agency, within five (5) days of execution thereof, written notice together with copies of the agreement and any other pertinent correspondence or documents relating thereto. Other than the Existing Leases and Grantor Replacement Leases which shall be

assigned by Grantor to Agency at the Closing of each Agency Transfer Parcel, Grantor shall terminate prior to the Closing, at no cost or expense to Agency, any and all management agreements, leases, contracts or other occupancy agreements affecting the Agency Transfer Parcels that Agency does not agree to assume in writing prior to the Closing. Notwithstanding any foregoing provision to the contrary, Agency acknowledges that pursuant to the Cooperative Agreement, until State transfers the Agency Transfer Parcels to City, State has the right to enter into new parking lot leases and extend Existing Leases on the Agency Transfer Parcels provided that the terms, or extended terms, of such new leases or extended Existing Leases shall not exceed one (1) year.

13. EXPENSES

13.1 Expenses. Agency, or the third party who purchases the Agency Transfer Parcel from the Agency, shall pay any transfer taxes applicable to the sale, any personal property taxes, escrow fees and recording charges and any other costs and charges of the escrow(s) for the purchase and sale of the Agency Transfer Parcels.

13.2 No Brokers or Finders. The parties represent and warrant to each other that no broker or finder was instrumental in arranging or bringing about this transaction and that there are no claims or rights for brokerage commissions or finder's fees in connection with the transactions contemplated by this Agreement. If any person brings a claim for a commission or finder's fee based on any contact, dealings, or communication with Agency or Grantor, then the Party through whom such person makes a claim shall defend the other Party from such claim, and shall indemnify the indemnified Party from, and hold the indemnified Party harmless against, any and all costs, damages, claims, liabilities, or expenses (including, without limitation, reasonable attorneys' fees and disbursements) that the indemnified Party incurs in defending against the claim. The provisions of this Section shall survive each and every Closing for each Agency Transfer Parcel, or, if the purchase and sale is not consummated for any reason, any termination of the Option with respect to any Agency Transfer Parcel and any termination of this Agreement.

14. ACKNOWLEDGEMENTS AND COVENANTS

14.1 Temporary Construction Easements. Agency acknowledges that any Temporary Construction Easement located on an Agency Transfer Parcel will terminate in accordance with the terms of the Cooperative Agreement upon (a) the fulfillment of all of State's contractor's construction contract obligations in connection with the completion of the WASSP with respect to the particular Agency Transfer Parcel, consistent with the terms of State's construction contractor's contract, and State's delivery of a written notice to Grantor thereof, and (b) State's recordation in the Official Records of the City and County of San Francisco (the "Official Records") of a notice of termination of Temporary Construction Easement with respect to such Agency Transfer Parcel and delivery of a copy thereof to City. Grantor shall promptly deliver to Agency a copy of each recorded notice of termination received from State.

14.2 Power of Termination. Agency acknowledges that State retains a Power of Termination, which right as to each Agency Transfer Parcel shall expire (a) with respect to each Agency Transfer Parcel conveyed by Agency to a third party, on the date that funds equal to the Gross Sales Proceeds are deposited into the Trust Account and a Relinquishment of Power of Termination (as described in the Cooperative Agreement) covering such Agency Transfer Parcel is recorded in the Official Records; and (b) with respect to all other Agency Transfer Parcels, the earlier to occur of the date that (i) the new Transbay Terminal is completed as set forth in the Cooperative Agreement and a Relinquishment of Power of Termination covering all such Agency Transfer Parcels is recorded in the Official Records; and (ii) actual passenger bus service commences at the new Transbay Terminal and a Relinquishment of Power of Termination covering all such Agency Transfer Parcels is recorded in the Official Records.

14.3 Tax Increment. Agency covenants that all Net Tax Increment (as defined in the Cooperative Agreement) generated from the development of each Agency Transfer Parcel shall be provided to Authority to use for costs associated with the construction and design of the New Transbay Terminal (as defined in Section I.A. of the Cooperative Agreement). Agency shall use its best efforts to maximize the amount of Net Tax Increment to be provided to Authority. The Agency obligations in this Section 14.3 shall survive termination or expiration of this Agreement.

14.4 Relocation of WASSP Resident Engineers Agency acknowledges that State is currently using 2,036 square feet of office space in temporary trailers and eighty (80) parking spaces (the "WASSP Engineers' Office Trailers and Parking Spaces") for WASSP Resident Engineers located on portions of Parcels C and P shown on Exhibit A-1 (Blocks 3737 and 3838). Agency also acknowledges that State reserved an easement for such office and parking space use in the quitclaim deed from State to Grantor covering Parcels C and P (the "WASSP Resident Engineers Easement"). Agency covenants that if following the transfer to the Agency of the parcels subject to the WASSP Resident Engineers Easement, Agency desires to relocate the WASSP Engineers from the WASSP Engineers' Office Trailers and Parking Spaces prior to CCA of the WASSP, Agency shall relocate such State personnel to offices and parking spaces reasonably satisfactory to State. The relocation shall occur in accordance with a relocation schedule prepared by Agency, and mutually agreed upon by State, City, Authority and Agency, and shall occur at the Agency cost and expense, subject to reimbursement as an Agency Administrative Fee pursuant to Sections 2.1(a) and 2.2(c) of the Implementation Agreement. After the CCA of the WASSP, Agency shall have no obligation to relocate the WASSP Engineers from the WASSP Engineers' Office Trailers and Parking Spaces, or pay any relocation expenses in connection with any relocation of the WASSP Engineers from the WASSP Engineers' Office Trailers and Parking Spaces. Pursuant to the Cooperative Agreement, upon the sooner to occur of relocation in accordance with this Section 13.5, or CCA of the WASSP, State is obligated to file quitclaim deeds in the Official Records extinguishing all of State's easement right to Parcels C and P.

15. DEFAULT; REMEDIES

In the event that either Party fails to perform such Party's obligations hereunder (except as excused by the other Party's default), the Party claiming default may make written demand for performance upon the defaulting Party. If the defaulting Party fails to cure such default within ten (10) days after receipt thereof, or if such default cannot reasonably be cured within such ten (10) day period, then thirty (30) days, provided that the defaulting party commences and diligently prosecutes such cure to completion within such thirty (30) day period, the Party claiming default will have the option to waive such default, to demand specific performance or to terminate this Agreement.

On any termination provided for in this Section, the parties will be discharged from any further obligations and liabilities under this Agreement, except as otherwise provided in Sections 8.2 (Entry and Indemnity), 8.5 (Hazardous Materials Indemnity) 13.2 (No Brokers or Finders) or 16.4, Authority of Parties, or as otherwise expressly provided herein.

16. GENERAL PROVISIONS

16.1 Notices. Any notices required or permitted to be given under this Agreement shall be in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, or (c) by U.S. Express Mail or commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be addressed as follows:

City:

Real Estate Division

Transbay Option Agreement

City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Attn: Director of Property

with a copy to:
Office of the City Attorney
Room 234, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4682
Attn: Real Estate & Finance Team

with an additional copy to:

Mayor's Office of Economic and Workforce
Development
Room 336, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94105
Attn: Transbay Project Manager

Agency: Redevelopment Agency of the City and
County of San Francisco
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: Fred Blackwell, Executive Director

with a copy to: Redevelopment Agency of the City and
County of San Francisco
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: James B. Morales, Agency General
Counsel

Authority: Transbay Joint Powers Authority
201 Mission Street, Suite 1960
San Francisco, CA 94105
Attn: Maria Ayerdi, Executive Director

with a copy to: Office of the City Attorney
Rm. 234, City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94105
Attn: Transbay Terminal Project

or such other address as either Party may from time to time specify in writing to the other Party. Any notice shall be deemed given when actually delivered if such delivery is in person, two (2) days after deposit with the U.S. Postal Service if such delivery is by certified or registered mail, and the next business day after deposit with the U.S. Postal Service or with the commercial overnight courier service if such delivery is by overnight mail.

16.2 Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, legal representatives, administrators and assigns. Agency's rights and obligations hereunder shall not be assignable without the prior written consent of Grantor; provided, however, even if Grantor approves any

such proposed assignment, in no event shall Agency be released from any of its obligations hereunder.

16.3 Amendments. This Agreement may be materially amended or modified only by a written instrument signed by the Agency, based on approval by the Agency's Commission, signed by the City, based on the approval of the Board of Supervisors and its Mayor, and signed by the Authority, based on the approval of its Board.

16.4 Authority of Parties. Agency, City and Authority each represent and warrant to the other Party that this Agreement and all documents and delivered at Closing: (a) are or at the time of Closing will be duly authorized, executed and delivered by that Party; (b) are or at the time of Closing will be legal, valid and binding obligations of that Party; and (c) do not and at the time of Closing will not violate any provision of any agreement or judicial order to which that Party is a Party or to which that Party is subject. Notwithstanding anything to the contrary in this Agreement, the foregoing representations and warranties and any and all other representations and warranties of the Parties contained herein or in other agreements or documents executed by the Parties in connection herewith, shall survive the Closing Date or earlier termination of the Agreement.

16.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California and City's Charter.

16.6 Merger of Prior Agreements. This Agreement, together with the exhibits hereto, contain any and all representations, warranties and covenants made by Agency and Grantor and constitutes the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements are replaced in total by this Agreement together with the Exhibits hereto.

16.7 Parties and Their Agents. As used herein, the term "Agent" or "Agents" when used with respect to either Party shall include the agents, employees, officers, contractors and representatives of such Party.

16.8 Interpretation of Agreement. The article, section and other headings of this Agreement and the table of contents are for convenience of reference only and shall not affect the meaning or interpretation of any provision contained herein. Whenever the context so requires, the use of the singular shall be deemed to include the plural and vice versa, and each gender reference shall be deemed to include the other and the neuter. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each Party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the Party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purposes of the parties and this Agreement.

16.9 Attorneys' Fees. If any Party hereto fails to perform any of its respective obligations under this Agreement or if any dispute arises between the Parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting Party or the Party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other Party on account of such default or in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements. For purposes of this Agreement, the reasonable fees of attorneys of the Office of the City Attorney of the City and County of San Francisco shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the

City of San Francisco in law firms with approximately the same number of attorneys as employed by the City Attorney's Office.

16.10 Time of Essence. Time is of the essence with respect to the performance of the parties' respective obligations contained herein.

16.11 No Merger. The obligations contained herein shall not merge with the transfer of title to the Agency Transfer Parcels but shall remain in effect until fulfilled.

16.12 Non-Liability of Grantor's Officials, Employees and Agents. Notwithstanding anything to the contrary in this Agreement, no elective or appointive board, commission, member, officer, employee or agent of Grantor shall be personally liable to Agency, its successors and assigns, in the event of any default or breach by Grantor or for any amount which may become due to Agency, its successors and assigns, or for any obligation of Grantor under this Agreement.

16.13 Tropical Hardwoods and Virgin Redwood Ban. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood or tropical hardwood wood product, virgin redwood or virgin redwood wood product except as expressly permitted by the application of Section 12I.3.b and 12I.4.b of the San Francisco Administrative Code.

16.14 No Joint Venture. The relationship between Grantor and Agency hereunder is solely that of transferor and transferee. None of the terms or provisions hereof shall be deemed to create a partnership between Grantor and Agency, nor shall it cause them to be considered joint venturers or members of any joint enterprise.

16.15 Recording. The Parties agree to execute and acknowledge a Memorandum of Option, in the form attached hereto as Exhibit E (the "Memorandum"), for the purpose of recordation thereof in the Official Records of the City and County of San Francisco. Agency agrees to pay all costs, if any, in connection with the recordation of the Memorandum and agrees to promptly execute and deliver to Grantor, pursuant to the terms of Section 4.4 above, a quitclaim deed or other document (in recordable form) as may be reasonably required by Grantor or any title insurer to release any right of Agency to purchase the Agency Transfer Parcels.

16.16 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

16.17 Effective Date. As used herein, the term "Effective Date" shall mean the date on which all of the following have occurred: the Authority's Board of Directors has approved this Agreement and the transactions contemplated herein, the City's Board of Supervisors and Mayor have enacted a resolution or ordinance approving and authorizing this Agreement and the transactions contemplated herein as part of the Transbay Redevelopment Plan, the Agency has accepted this Agreement, and the parties have executed this Agreement.

16.18 Acceptance by Agency. This Agreement shall be deemed accepted by the Agency on the date that execution hereof is authorized by the Agency's Commission; provided, however, that this Agreement shall be null and void unless it is accepted by Agency and two fully executed copies hereof are returned to Grantor on or before 5:00 p.m. San Francisco Time on February 29, 2008.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, AGENCY ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY OR AUTHORITY HAS AUTHORITY TO COMMIT CITY OR

AUTHORITY TO THIS AGREEMENT UNLESS AND UNTIL A RESOLUTION OF CITY'S BOARD OF SUPERVISORS OR THE AUTHORITY'S BOARD SHALL HAVE BEEN DULY ENACTED APPROVING THIS AGREEMENT AND AUTHORIZING THE TRANSACTIONS CONTEMPLATED HEREBY. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY OR AUTHORITY HEREUNDER ARE CONTINGENT UPON THE DUE ENACTMENT OF SUCH RESOLUTIONS, AND THIS AGREEMENT SHALL BE NULL AND VOID IF CITY'S BOARD OF SUPERVISORS AND MAYOR AND THE AUTHORITY'S BOARD DO NOT APPROVE THIS AGREEMENT IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF THE TRANSACTIONS CONTEMPLATED HEREBY BY ANY DEPARTMENT, COMMISSION OR AGENCY OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ENACTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

Transbay Option Agreement


The parties have duly executed this Agreement as of the respective dates written below.

AGENCY:

Authorized by Agency Resolution No. 14
2007, adopted Jan. 25, 2007
5

REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO, a public
body corporate and politic

By:


AMY LEE, Deputy Executive Director
Finance and Administration

Date: _____

APPROVED AS TO FORM:

By: 
JAMES B. MORALES
General Counsel

AUTHORITY:

Transbay Joint Powers Authority
Board of Directors
Resolution No.
Adopted:
Attest:

TRANSBAY JOINT POWERS AUTHORITY, a
Joint Powers Agency

By:


MARIA AYERDI
Executive Director

Date: _____

Secretary, TJPA Board


APPROVED AS TO FORM:

By: _____
Andrew W. Schwartz
Shute, Mihaly & Weinberger

CITY:

CITY AND COUNTY OF SAN FRANCISCO, a
municipal corporation

By:


AMY L. BROWN
Director of Property

Date: _____

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

Transbay Option Agreement

The parties have duly executed this Agreement as of the respective dates written below.

AGENCY:

Authorized by Agency Resolution No.
2002, adopted _____, 2002

REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO, a public
body corporate and politic

By:

AMY LEE, Deputy Executive Director
Finance and Administration

Date: _____

APPROVED AS TO FORM:

By: _____

JAMES B. MORALES
General Counsel

AUTHORITY:

Transbay Joint Powers Authority
Board of Directors
Resolution No. 05-003
Adopted: 1/20/05
Attest:


Secretary, TJPA Board

TRANSBAY JOINT POWERS AUTHORITY, a
Joint Powers Agency

By: _____

MARIA AYERDI
Executive Director

Date: 2/1/08

APPROVED AS TO FORM:

By: _____

Andrew W. Schwartz
Shute, Mihaly & Weinberger

CITY:

CITY AND COUNTY OF SAN FRANCISCO, a
municipal corporation

By: _____

AMY L. BROWN
Director of Property

Date: _____

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____

Carol Wong
Deputy City Attorney

Transbay Option Agreement

The parties have duly executed this Agreement as of the respective dates written below.

AGENCY:

Authorized by Agency Resolution No.
2002, adopted _____, 2002

REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO, a public
body corporate and politic

By: _____
AMY LEE, Deputy Executive Director
Finance and Administration

Date: _____

APPROVED AS TO FORM:

By: _____
JAMES B. MORALES
General Counsel

AUTHORITY:

Transbay Joint Powers Authority
Board of Directors
Resolution No.
Adopted:
Attest:

TRANSBAY JOINT POWERS AUTHORITY, a
Joint Powers Agency

By: _____
MARIA AYERDI
Executive Director

Date: _____

Secretary, TJPA Board

APPROVED AS TO FORM:

By: _____
Andrew W. Schwartz
Shute, Mihaly & Weinberger

CITY:

CITY AND COUNTY OF SAN FRANCISCO, a
municipal corporation

By: _____
AMY L. BROWN
Director of Property

Date: 2/1/08

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Carol Wong
Deputy City Attorney

EXHIBIT A-1

MAP OF ALL TRANSFERRED PARCELS
(STATE-OWNED PARCELS)

[see attached]

EXHIBIT MAP

DECEMBER 2002
(REVISION: 4/08/03)

SCALE: NONE

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION
AND HOUSING AGENCY
DEPARTMENT OF TRANSPORTATION
DISTRICT 4

SHEET 1 OF 6

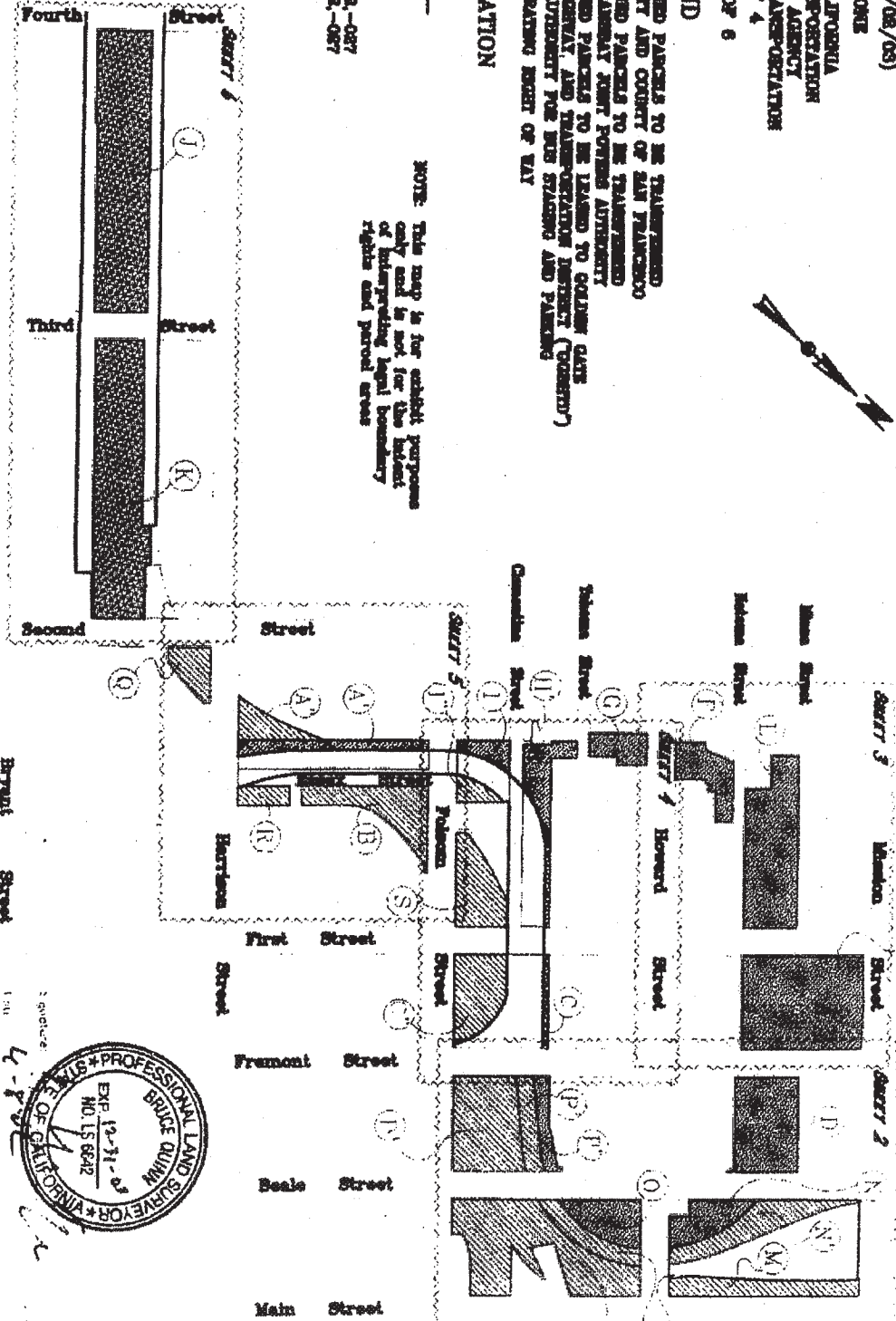
PARCEL LEGEND

-  STATE OWNED PARCELS TO BE TRANSFERRED TO THE CITY AND COUNTY OF SAN FRANCISCO
-  STATE OWNED PARCELS TO BE TRANSFERRED TO THE TRANSIT AUTHORITY
-  STATE OWNED PARCELS TO BE LEASED TO GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT (GOLDEN GATE AND THE AUTHORITY FOR BUS STATIONS AND PARKING)
-  STATE OPERATING RIGHT OF WAY

PARCEL INFORMATION

PARCEL NO.	AREA
A	5749-088
B	5749-089
C	5749-090
D	5749-091
E	5749-092
F	5749-093
G	5749-094
H	5749-095
I	5749-096
J	5749-097
K	5749-098
L	5749-099
M	5749-100
N	5749-101
O	5749-102
P	5749-103
Q	5749-104
R	5749-105
S	5749-106
T	5749-107

NOTE: This map is for exhibit purposes only and is not for the intent of interpreting legal boundary rights and parcel sizes.



THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION FROM EXISTING RECORDS IN THE OFFICE OF RIGHT-OF-WAY ENGINEERING.

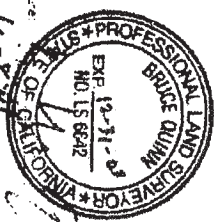


EXHIBIT A-2

DEPICTION OF THE CITY TRANSFER PARCELS

[see attached]

EXHIBIT MAP

DECEMBER 2008
(REVISION: 4/08/08)

SCALE: NONE

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION
AND HOUSING AGENCY
DEPARTMENT OF TRANSPORTATION
DISTRICT 4
SHEET 1 OF 6

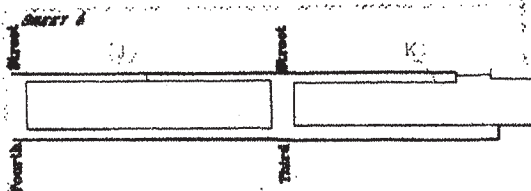


 Parcels to Be Transferred to CCSF

PARCEL INFORMATION

PARCEL NO.	APN
A	3743-002
A	3743-002
B	3743-004
C	3727-002-012-007
C	3727-002-012-007
D	3710-002
E	3721-002
F	3721-015A
G	3723-002
H	3723-007
I	3723-012
J	3723-012
K	3723-004
L	3723-112
M	3712-007
N	3712-002
O	3723-002
P	3723-002
Q	3723-004
R	3723-004
S	3724-002
T	3723-001

NOTE: This map is for exhibit purposes only and is not for the intent of interpreting legal boundary rights and parcel areas



THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION FROM EXISTING RECORDS IN THE OFFICE OF RIGHT OF WAY ENGINEERING.

EXHIBIT A-3

DEPICTION OF THE AUTHORITY PARCELS

[see attached]

015612

Box 3 Munson Street Box 3

Mission Street
 Belmont Street
 Howard Street
 Vermont Street
 Convention Street
 Polk Street
 Harrison Street
 Bryant Street
 Second Street
 First Street
 Present Street
 Beale Street

SHEET 1
 SHEET 2
 SHEET 3
 SHEET 4
 SHEET 5

EXP. 12-31-02
 NO. 15 0042
 PROFESSIONAL LAND SURVEYOR
 OSCAR GUNW
 STATE OF CALIFORNIA

6-8-02

Parcels to Be Transferred to TIPA

NOTE: This map is for exhibit purposes only and is not for the intent of interpreting legal boundary rights and parcel areas

PACIFIC NO.	AFR
A	3749-008
A	3749-008
B	3749-004
C	3757-000-01R-007
C	3757-000-01R-007
D	3759-008
E	3759-008
F	3759-008
G	3759-008
H	3759-008
I	3759-008
J	3759-008
K	3759-008
L	3759-008
M	3759-008
N	3759-008
O	3759-008
P	3759-008
Q	3759-008
R	3759-008
S	3759-008
T	3759-008



THE MAN WAS PRESENTED TO ME BY A GROUP OF
VOLUNTEERS FROM THE STATE OF TEXAS. IN
THE OFFICE OF THE DIRECTOR OF THE BUREAU OF INVESTIGATION

EXHIBIT A-4

AGENCY TRANSFER PARCELS

The following City Parcels are subject to the Option and are further depicted in Exhibit A-2:

1. Parcel A"
2. Parcel B
3. Parcel C"
4. Parcel I"
5. Parcel M
6. Parcel N
7. Parcel N'
8. Parcel O'
9. Parcel O"
10. Parcel P
11. Parcel P'
12. Parcel Q
13. Parcel R
14. Parcel S

The following Authority Parcels subject to the Option and are further depicted in Exhibit A-3:

1. Parcel A'
2. Parcel C
3. Parcel F
4. Parcel G
5. Parcel H'
6. Parcel I
7. Parcel N
8. Parcel O
9. Parcel P"

EXHIBIT B

FORM OF QUITCLAIM DEED

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Redevelopment Agency
of the City and County of San Francisco
770 Golden Gate Avenue, 3rd Floor
San Francisco, CA 94102
Attn: James B. Morales, Agency General Counsel

MAIL TAX STATEMENTS TO:

Same address as above

Documentary Transfer Tax of \$0, based on full value of the property conveyed.

(Space above this line reserved for Recorder's use only)

QUITCLAIM DEED WITH POWER OF TERMINATION
(Block __, Lot __ in San Francisco, California)

FOR VALUABLE CONSIDERATION, receipt and adequacy of which are hereby acknowledged, the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City"), pursuant to Resolution No. __, adopted by the Board of Supervisors on __, and approved by the Mayor on __, hereby RELEASES, REMISES AND QUITCLAIMS to the REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body corporate and politic established pursuant to the Community Redevelopment Law of the State of California ("Grantee"), any and all right, title and interest City may have in and to the real property located in the City and County of San Francisco, State of California, described on Exhibit A attached hereto and made a part hereof.

[Power of Termination language and other applicable easements, structures, fixtures or appurtenances to be inserted from Grantor's deed.]

Executed as of this ____ day of ____, 200__.

GRANTOR: [as applicable]

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

By:

AMY L. BROWN
Director of Property

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____

Transbay Option Agreement

Deputy City Attorney

GRANTEE:

REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO, a
public body, corporate and politic

By:

AMY LEE, Deputy Executive Director
Finance and Administration

APPROVED AS TO FORM:

By:

JAMES B. MORALES
Agency General Counsel

GRANTOR: [as applicable]	TRANSBAY JOINT POWERS AUTHORITY, a joint powers agency By: MARIA AYERDI Executive Director
APPROVED AS TO FORM: By: Andrew W. Schwartz Shute, Mihaly & Weinberger	

Transbay Option Agreement

State of California)
) ss
County of San Francisco)

On _____, before me, _____, a notary public in and
for said State, personally appeared _____, who proved to
me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Transbay Option Agreement

State of California)
) ss
County of San Francisco)

On _____, before me, _____, a notary public in and
for said State, personally appeared _____, who proved to
me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Transbay Option Agreement

State of California)
) ss
County of San Francisco)

On _____, before me, _____, a notary public in and
for said State, personally appeared _____, who proved to
me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT C

LIST OF LEASES AND EASEMENTS

1. The leases described in Schedule I to this Exhibit C.
2. All parking lot leases entered into by State after the date of this Agreement with a term of one (1) year or less.
3. All parking lot leases entered into by City after the date of this Agreement with terms of thirty (30) days or less.
4. All Grantor Replacement Leases
5. All existing Temporary Construction Easements.
6. All temporary construction and storage easements granted to State by City after the date of this Agreement.

SCHEDULE 1 TO EXHIBIT C

[see attached]

State Parcel Lease Information								31-Jan-08
Transbay Terminal								
	City Parcel No.	State Account No.	Date	Lease Period	Lease Term	Lessee Name	Current Use	Comments
1	T	070041-0009-02	7/17/1978			Muni	Bus Ops	
2	T	7770041-0006-01	1/1/1975			GGTBD	Bus Ops	GGTBD doesn't use the Transbay Terminal anymore. Using Crescent but no lease or agreement provided to T.J.P.A.
3	T					SamTrans		
4	D.T	7770026-033-02	4/3/1989			Greyhound		Greyhound ticketing and package express
5	T	070026-0026-03	4/19/1991		MM	AC Transit	Ticketing Counter	Amended 8/1/2001 to increase rent and space.
6	T.E.F	070026-0001 (002, 006, 007)	12/15/2006		12/31/07 then MM	US Parking	Parking	All public parking within Transbay Terminal, outdoor lot on western end and State Parcel F (0700026-0007-01) lot underneath western bus ramp behind terminal. First page of lease states that the lessor will eventually relinquish properties to CCSF.
7	E.T.D	070026-0018-03	7/9/2005			West Contra Costa Transit Authority	Bus Ops	
8	T	04-070026-0018-03	7/24/2003			Lula C. Reynoso dba The Bouquet Place	Retail	Small flower stand in front of Terminal.
9	T	070026-0005-01	11/1/1992			Hamilton dba Direct Communications	Sign	Small hotel sign inside Terminal near front entrance
10	D	070041-0005-02	6/20/2007		MM	Webcor Builders	Construction Staging	Lease for construction in strip adjacent to Millennium Tower Development
11	T	070026-0009-01	1/1/2004					
12	T	7770026-0177-01	4/18/1991					
13	T	070026-0023-01	10/18/2000					
14	T	04-070026-0018-03	12/23/2002					
15	T	070026-0009-01	1/1/2004					
16	T	7770026-0177-01	4/18/1991					
17	T	7770026-0023-01	10/18/2000					
18	T	7770026-033-01	2/1/1997					
Other State Parcels								
	City Parcel No.	State Account No.	Date	Lease Period	Lease Term	Lessee Name	Use	Comments
19	A							
20	B	SFX-480-04	5/30/2000			842 Harrison, LLC,	Parking	Only Amendment No. 1 provided to T.J.P.A. - where state wishes to temporarily move tenant from State Parcel Q to State Parcel B beginning Sept 2000 under identical terms as in the lease for State Parcel Q. This temporary move would last either 18 Aug 2004 or completion of the WASSP 0 whichever happened last. After this tenant is moved back to Parcel Q. Missing pages after page 4. See Parcel Q for more info.
21	C							
22	F	see above (Line 5)					Parking	See 070026-0001 (002, 006, 007) above
23	G							
24	H,I,J	04-A70001-0011-17	2/3/2003	2/3/03-3/2/03	1Mo	US Parking	Parking	
25	M	04-SFX480-0011-14	1/23/2003	1/24/02-7/23/02	6Mo	US Parking	Parking	
26	N	04-A70001-0017-15	2/3/2003	2/3/03-3/2/03	1Mo	West Coast Parking	Parking	Amendment to earlier lease.
27	N'	04-SFX480-0010-18	3/1/2003	3/1/03-3/31/03		West Coast Parking	Parking	
28	N''	04-SFX-480-26(FLA)	10/1/1998	10/1/98-9/30/01		Beets Street Bar and Grill	Bar/Grill	
29	O	04-SFX480-0008-17	3/18/2003	3/15/03-9/14/03	6Mo	US Parking	Parking/WASSP Construction Staging	O' is now used for WASSP Construction Staging
30	O						WASSP Construction Staging	
31	P							
32	Q	04-SFX480-0002-13	2/3/2003	2/3/03-3/2/03	1Mo	West Coast Parking		Parking for Clocktower until WASSP complete and Clocktower parking returns to area under I-80 structure. Parking on Q then reverts to 842 Harrison (long term leasee of State Parcel B now).
33	R							
34	S							

EXHIBIT D

FORM OF ASSIGNMENT OF LEASES

THIS ASSIGNMENT AND ASSUMPTION OF LEASE(S) (this "Assignment") is made and entered into as of this ____ day of _____, 200_, by and between [as applicable] [the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("Assignor," and "City")] [the TRANSBAY JOINT POWERS AUTHORITY, a joint powers agency under the California Joint Exercise of Powers Act, "Assignor," and "Authority"] and the REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body corporate and politic established pursuant to the Community Redevelopment Law of the State of California ("Assignee").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, effective as of the date (the "Conveyance Date") Assignor conveys title to that certain real property legally described in Schedule 1 attached hereto (the "Property"), and Assignor hereby assigns and transfers to Assignee all of Assignor's right, title, claim and interest in and under certain lease(s) executed with respect to the Property as more fully described in Schedule 2 attached hereto (collectively, the "Lease(s)").

ASSIGNOR AND ASSIGNEE FURTHER HEREBY AGREE AND COVENANT AS FOLLOWS:

As of the Conveyance Date, Assignor hereby agrees to indemnify, defend and hold Assignee harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating prior to the Conveyance Date and arising out of the landlord's obligations under the Lease(s).

As of the Conveyance Date, Assignee hereby assumes all of the landlord's obligations under the Leases and agrees to indemnify Assignor against and hold Assignor harmless from any and all costs, liabilities, losses, damages or expenses (including, without limitation, reasonable attorneys' fees), originating on or subsequent to the Conveyance Date and arising out of the landlord's obligations under the Lease(s).

If either party hereto fails to perform any of its respective obligations under this Assignment or if any dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Assignment, then the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party on account of such default or in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements. For purposes of this Assignment, the reasonable fees of attorneys of the Office of the City Attorney of the City and County of San Francisco shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered and who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the City Attorney's Office.

This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.

This Assignment shall be governed by and construed in accordance with the laws of the State of California and City's Charter.

Transbay Option Agreement

This Assignment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Assignor and Assignee have executed this Assignment as of the day and year first written above.

ASSIGNEE:

REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO,
a public body corporate and politic

APPROVED AS TO FORM:

By: JAMES B. MORALES
Agency General Counsel

By: AMY LEE, Deputy Executive Director
Finance and Administration

ASSIGNOR: [as applicable]

CITY AND COUNTY OF SAN FRANCISCO, a
municipal corporation

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: AMY L. BROWN
Director of Property

By: Deputy City Attorney

ASSIGNOR: [as applicable]	TRANSBAY JOINT POWERS AUTHORITY, a joint powers agency
APPROVED AS TO FORM:	
By: <u>Andrew W. Schwartz</u> Shute, Mihaly & Weinberger	By: <u>MARIA AYERDI</u> Executive Director

EXHIBIT E

MEMORANDUM OF OPTION OF AGREEMENT

RECORDING REQUESTED BY
AND WHEN RECORDED SEND TO:

Redevelopment Agency of the
City and County of San Francisco
770 Golden Gate Avenue, 3rd Floor
San Francisco, CA 94102
Attn: James B. Morales, Agency General
Counsel

(Space above this line reserved for Recorder's use only)

THIS MEMORANDUM (this "Memorandum") is made as of _____, 2008, between the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("City"), the TRANSBAY JOINT POWERS AUTHORITY, a joint powers agency created under the California Joint Exercise of Powers Act ("Authority"), and the REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body corporate and politic established pursuant to the Community Redevelopment Law of the State of California ("Agency").

City and Authority hereby grant to Agency an option (the "Option") to purchase the Property described in Exhibit A attached hereto, in accordance with the terms and provisions of that certain Option Agreement for the Purchase and Sale of Real Property (the "Option Agreement") dated as of _____, 2005 between City, Authority and Agency. Under the terms of the Option Agreement, the Option expires if not exercised on or before _____, and the closing of the Option must occur, if at all, not later than in the month of _____.

IN WITNESS WHEREOF, the parties have executed this Memorandum on the date first above written.

AGENCY:

REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO,
a public body corporate and politic

By:

AMY LEE, Deputy Executive Director
Finance and Administration

APPROVED AS TO FORM:

By:

JAMES B. MORALES
Agency General Counsel

Transbay Option Agreement

GRANTOR:	TRANSBAY JOINT POWERS AUTHORITY, a joint powers agency By: <u>MARIA AYERDI</u> Executive Director
APPROVED AS TO FORM: By: <u>Andrew W. Schwartz</u> Shute, Mihaly & Weinberger	

CITY:

CITY AND COUNTY OF SAN FRANCISCO, a
municipal corporation

By:

AMY L. BROWN
Director of Property

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By:

Deputy City Attorney

Transbay Option Agreement

State of California)
) ss
County of San Francisco)

On _____, before me, _____, a notary public in and
for said State, personally appeared _____, who proved to
me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Transbay Option Agreement

State of California)
) ss
County of San Francisco)

On _____, before me, _____, a notary public in and
for said State, personally appeared _____, who proved to
me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Transbay Option Agreement

State of California)
) ss
County of San Francisco)

On _____, before me, _____, a notary public in and
for said State, personally appeared _____, who proved to
me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.
I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

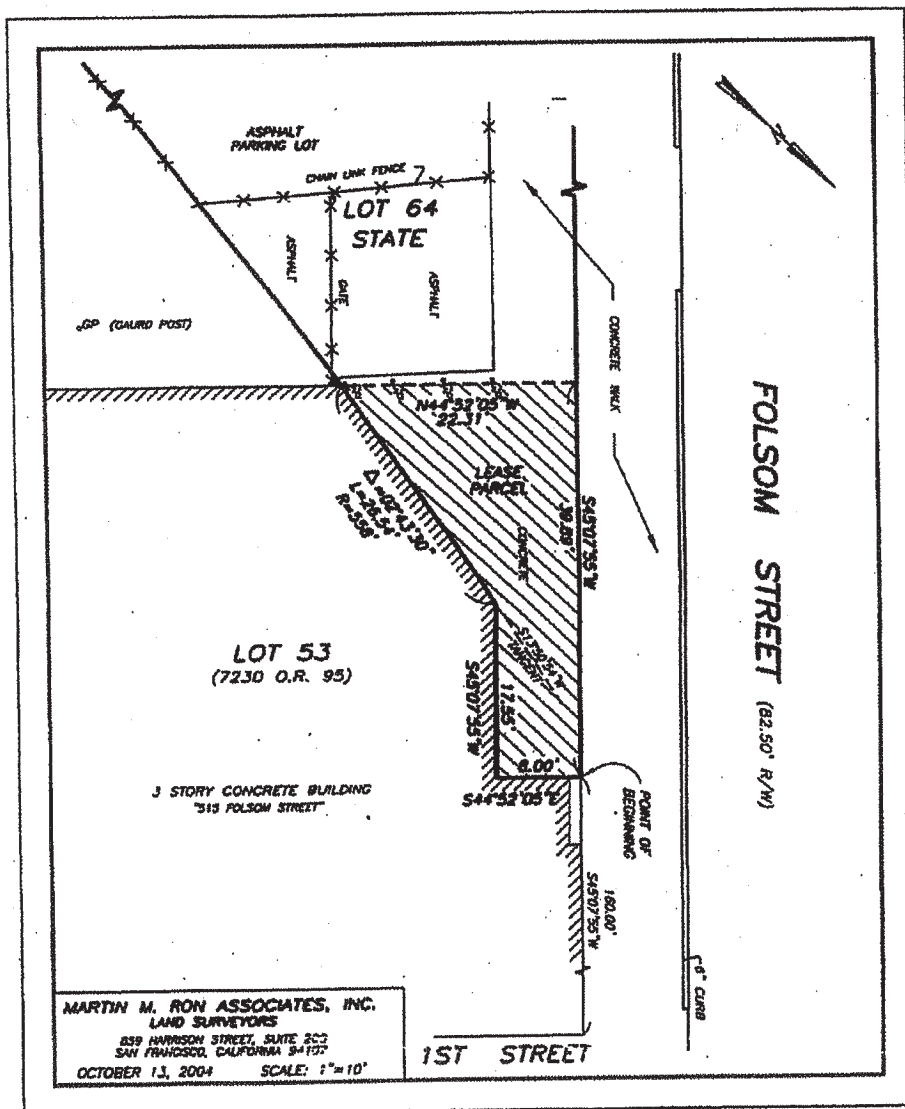
Signature _____ (Seal)

Transbay Option Agreement

SCHEDULE 1

SURVEY MAP, PARCEL B

(Section 4.1)



**FIRST AMENDMENT TO OPTION AGREEMENT
FOR THE PURCHASE AND SALE OF REAL PROPERTY**

This FIRST AMENDMENT TO OPTION AGREEMENT FOR THE PURCHASE AND SALE OF REAL PROPERTY (this “**First Amendment**”), dated as of the 22nd day of January, 2015, is entered into by and between CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation (the “**City**”), TRANSBAY JOINT POWERS AUTHORITY, a joint powers agency created under California Government Code Sections 6500 *et seq.* (the “**TJPA**”), and SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF CITY AND COUNTY OF SAN FRANCISCO, a public body corporate and politic (the “**Agency**”), with reference to the following facts and circumstances:

RECITALS

A. The City, TJPA, and the former Redevelopment Agency of the City and County of San Francisco (“**Former Agency**”), the Agency’s predecessor in interest, entered into the Option Agreement for the Purchase and Sale of Real Property (“**Option Agreement**”) dated as of January 31, 2008. The Option Agreement implemented the Former Agency’s obligations under various agreements and state law related to the development and funding of the Transbay Terminal Project, public infrastructure and affordable housing; it also granted the Former Agency the option to take title to certain currently or formerly State-owned parcels (the “**Agency Transfer Parcels**”), subject to certain limitations.

B. Under Assembly Bill No. 812 (Chapter 99, Statutes of 2003, codified at California Public Resources Code Section 5027.1) (“**AB 812**”), any redevelopment plan adopted to finance, in whole or in part, the demolition of the Transbay Terminal building and the construction of a new terminal, including its associated vehicle ramps, shall ensure that at least 25 percent of all dwelling units developed within the project area shall be available at affordable housing cost to, and occupied by, persons and families whose incomes do not exceed 60 percent of the area median income, and that at least an additional 10 percent of all dwelling units developed within the project area shall be available at affordable housing cost to, and occupied by, persons and families whose incomes do not exceed 120 percent of the area median income (the “**Transbay Affordable Housing Obligation**”).

C. The City approved, by Ordinance No. 124-05 and Ordinance No. 99-06, the Redevelopment Plan for the Transbay Redevelopment Project (the “**Redevelopment Plan**”) for the Transbay Redevelopment Project (the “**Redevelopment Project**”). The Redevelopment Plan provides for the redevelopment, rehabilitation, and revitalization of the area generally bounded by Mission, Main, Second, and Folsom Streets in downtown San Francisco, and containing approximately forty (40) acres of land (the “**Project Area**”). The Redevelopment Plan also provides for the financing of the Transbay Terminal Project and thus triggered the Transbay Affordable Housing Obligation, which is explicitly incorporated into Section 4.9.2 of the Redevelopment Plan and into binding agreements.

D. The Redevelopment Plan established, under California Health and Safety Code Section 33333, the land use controls for the Project Area, required development to conform to

those land use controls, and divided the Project Area into two land use zones: Zone One and Zone Two. The Redevelopment Plan required the Former Agency to exercise land use authority in Zone One and authorized it to delegate to the San Francisco Planning Department (the “**Planning Department**”) the land use controls of the San Francisco Planning Code (the “**Planning Code**”), as amended from time to time, in Zone Two.

E. To implement the Transbay Affordable Housing Obligation and other objectives for the Project Area, the Redevelopment Plan provides, among other things, that “[s]ubject to the terms of owner participation agreements [with the Agency], owners shall be required to provide for infrastructure, affordable housing and open space in conjunction with the development of improvements in the Project Area” (Section 4.2.5); “all real property sold, leased or conveyed by the Agency, as well as all property subject to owner participation agreements, is subject to the provisions of [the Redevelopment Plan]” (Section 4.7.3); and “[l]eases, deeds, contracts, agreements and declarations of restrictions of the Agency may contain restrictions, covenants, covenants running with the land, rights of reverter, conditions subsequent, equitable servitudes or any other provision necessary to carry out [the Redevelopment Plan]” (Section 4.7.3). The Agency recorded the Transbay Redevelopment Project Area Declaration of Restrictions, which incorporates such matters, against all property in the Project Area (the “**Declaration of Restrictions**”).

F. Approximately ten (10) acres of land in Zone One of the Project Area were publicly owned land, including the former Transbay Terminal building and its bus access ramps (the “**State-Owned Parcels**”). The former Transbay Terminal building and ramps were in a blighted physical condition. Because these structures occupied several acres of land centrally located in the Project Area, they had a primary impact on physical and economic blighting conditions in the Project Area. The State, acting by and through its Department of Transportation (“**Caltrans**”), the City, and the TJPA entered into that certain Cooperative Agreement, dated as of July 11, 2003 (the “**Cooperative Agreement**”), pursuant to which the State has or will transfer the State-Owned Parcels to the City and the TJPA subject to certain terms and conditions, including the use of the State-Owned Parcels for the construction, or to fund the construction, of the Transbay Terminal Project (as defined in the Cooperative Agreement).

G. Pursuant to the Cooperative Agreement, the State has a Power of Termination with respect to any State-Owned Parcel transferred to the TJPA or to the City (the “**Power of Termination**”) that permits the State to re-take title to such State-Owned Parcel under certain terms and conditions specified in the Cooperative Agreement. The Cooperative Agreement obligates the State to release such Power of Termination over a State-Owned Parcel, however, if it is sold to a third party and the Gross Sales Proceeds (as defined in the Cooperative Agreement) from such sale are deposited in the Trust Account (as defined in the Cooperative Agreement) and used to pay the Capital Costs (as defined in the Cooperative Agreement) as required under the Cooperative Agreement.

H. Consistent with and in furtherance of the Cooperative Agreement, the Redevelopment Plan, and the Redevelopment Project, the City, TJPA, and the Former Agency entered into that certain Transbay Redevelopment Project Tax Increment Allocation and Sales

Proceeds Pledge Agreement (the “**Pledge Agreement**”), dated as of January 31, 2008, pursuant to which the parties provided for the irrevocable pledge of Net Tax Increment, as defined in the Pledge Agreement, to TJPA for construction and design of the Transbay Terminal Project. Also in furtherance of the Cooperative Agreement, the Redevelopment Plan and Redevelopment Project, the TJPA and the Former Agency entered into that certain Transbay Redevelopment Project Implementation Agreement, dated as of January 20, 2005 (the “**Implementation Agreement**”), which requires, among other things, the Former Agency to prepare and sell the Agency Transfer Parcels to third parties, deposit the Gross Sales Proceeds in the Trust Account, to help pay for the cost of constructing the Transbay Terminal Project, and execute all activities related to the implementation of the Redevelopment Plan, including the Transbay Affordable Housing Obligation.

I. TJPA demolished the former Transbay Terminal and ramps, and is constructing the Transbay Terminal Project, which is a public benefit and a central part of the Redevelopment Project. The Transbay Terminal Project will help to revitalize the Project Area and stimulate private investment by serving as a center of transit, retail, entertainment, and community facilities for the new transit oriented neighborhood. TJPA’s demolition of the former Transbay Terminal building and ramps has provided additional vacant land for development consistent with the Redevelopment Plan and Redevelopment Project.

J. On February 1, 2012, the Former Agency was dissolved pursuant to Assembly Bill No. IX 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) (“**AB 26**”) and the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos*, 53 Cal. 4th 231 (2011). On June 27, 2012, AB 26 was amended in part by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) (“**AB 1484**”). (AB 26 and AB 1484 are codified in sections 33500 et seq. of the California Health and Safety Code, which sections, as amended from time to time, are referred to as the “**Redevelopment Dissolution Law**.”)

K. Under Redevelopment Dissolution Law, the Agency was designated as the successor agency to receive the non-affordable housing assets of the Former Agency, and the Agency succeeded, by operation of law, to the Former Agency’s rights, title and interest in the Option Agreement, without the necessity for any assignment or other action on the part of any party. On October 2, 2012, the City’s Board of Supervisors adopted Ordinance 215-12 (File No. 120898) acknowledging that the Agency is a separate legal entity, creating a commission for the Agency (the “**Commission**”) as a policy body of the Agency and delegating to the Commission the authority to act in place of the former San Francisco Redevelopment Agency Commission to implement certain projects, but retaining authority to approve material changes in the affordable housing obligations of the Agency. As required by Redevelopment Dissolution Law, the City also established the oversight board of the Agency (the “**Oversight Board**”).

L. On April 15, 2013, the California Department of Finance (“**DOF**”) determined finally and conclusively that the Pledge Agreement, the Implementation Agreement, and the Transbay Affordable Housing Obligation are enforceable obligations under Redevelopment Dissolution Law and will not be subject to further DOF review except to determine if future Agency expenditures are consistent with those obligations. Letter, S. Szalay, DOF Local

Government Consultant, to T. Bohee, Agency Executive Director (April 15, 2012[sic]) (the “**Transbay Final and Conclusive Enforceable Obligations**”).

M. California Health and Safety Code Section 34177 provides that the Agency, as a successor agency, is required to (1) perform obligations required pursuant to any enforceable obligation, and (2) continue to oversee development of properties until the contracted work has been completed.

N. The Option Agreement is also an enforceable obligation that existed prior to June 28, 2011. Under the Option Agreement, Section 2.1, the Agency holds an exclusive and irrevocable option to purchase (the “**Option**”) the Agency Transfer Parcels, including, among others, Parcel F (Block 3721, Lot 015A), and Parcel O (portion of Block 3739, Lot 008), Parcel O’ (portion of Block 3739, Lot 008), and Parcel O” (portion of Block 3739, Lot 008) (together the northern about one-third of Parcels O, O’ and O” and generally depicted as “Block 4” on Exhibit 4 to the Redevelopment Plan are referred to as “**Redevelopment Block 4**”), in San Francisco, CA, on the terms and conditions of the Option Agreement. One of the conditions of the Option Agreement prohibits the Agency from selling an Agency Transfer Parcel to a third party unless the sales price is equal to or greater than the Baseline Valuation, as defined in the Option Agreement, for that Agency Transfer Parcel. Baseline Valuation is the minimum price that Agency can accept for the sale of an Agency Transfer Parcel and is determined by an appraisal that includes consideration of Redevelopment Plan development restrictions, environmental contamination, legally required affordable housing, and other conditions which reasonably affect the fair market value. Under the current projections of housing units that will be built in the Project Area, assuming Redevelopment Block 4’s projected capacity of 550 units, up to 45 percent of the units on Redevelopment Block 4 (or 248 units), will need to be affordable units to comply with the Transbay Affordable Housing Obligation, and the affordable units for any residential project located within Parcel F will be subject to the affordable housing requirements specified in the Planning Code.

O. The planned uses of Parcel F and Redevelopment Block 4 by third parties must comply with the Development Controls and Design Guidelines for the Transbay Redevelopment Project set forth in the Redevelopment Plan (the “**Development Controls**”), which govern private projects in Zone One and require, among other things, the parcelization and assembly of land into blocks and lots that are suitable for development. Under the Redevelopment Project, the Agency plans to aggregate and prepare Parcel F for disposition and development as primarily office use, and aggregate and prepare Redevelopment Block 4 for disposition and development as residential use, but these planned uses are subject to change.

P. Under the Option Agreement, Section 4.1(a), the Agency may first exercise the Option only after certain conditions have been satisfied, including, relative to Parcel F and Redevelopment Block 4, only after such parcels are not being used by TJPA for actual construction or demolition of ramps and siting of the temporary terminal facility, which are part of the Transbay Terminal Project. TJPA is currently using Parcel F for actual construction of the new bus ramps and train box, and Parcels O, O’, and O” for the temporary terminal facility. TJPA currently expects its use of Parcel F and Parcels O, O’, and O” for these purposes will end in late 2016 and late 2017, respectively, although the schedule is subject to change. Thus, TJPA

and the Agency do not expect that the conditions precedent to the Agency's ability to exercise its rights under the Option Agreement for Parcel F or Redevelopment Block 4 will be satisfied until late 2016 and late 2017. The Agency's ability to complete its work under the Redevelopment Project relative to Parcel F and Redevelopment Block 4 and wind down its affairs under the Redevelopment Project are facilitated by TJPA's timely completion of construction of Phase 1 of the Transbay Terminal Project. The property tax revenues that are expected to flow to the taxing entities upon completion of development of Parcel F and Redevelopment Block 4, as well as the other Agency Transfer Parcels, will be facilitated by TJPA's timely completion of construction of the Transbay Terminal Project.

Q. In January 2010, TJPA entered into a \$171.0 million loan under the Transportation Infrastructure Finance and Innovation Act (the "**TIFIA Loan**") to fund a portion of the Transbay Terminal Project costs. As of the effective date of this First Amendment, TJPA has not yet satisfied all of the disbursement conditions under the TIFIA Loan. As a result, TJPA cannot currently requisition proceeds under the TIFIA Loan. TJPA expects to satisfy all of the disbursement conditions and draw on the TIFIA Loan in late 2015, although the schedule is subject to change.

R. To obtain interim cash flow funding necessary to certify construction contracts and make construction disbursements for the Transbay Terminal Project, pending TJPA's satisfaction of the remaining disbursement conditions under the TIFIA Loan, TJPA intends to close a bridge loan in the amount of \$171.0 million (the "**Bridge Loan**") arranged by Goldman Sachs Bank USA ("**Goldman**") pursuant to that certain Credit Agreement, to be dated as of the date hereof, among TJPA, as borrower, the financial institutions from time to time party thereto, as lenders (the "**Lenders**"), and Goldman, as Sole Lead Arranger, Sole Lead Bookrunner, Syndication Agent, Administrative Agent and Collateral Agent (as amended, restated, supplemented, extended or otherwise modified from time to time and as refinanced, refunded or replaced from time to time, the "**Credit Agreement**").

S. As a condition to funding the Bridge Loan under the Credit Agreement, the Lenders require, among other things, the following to occur in order to protect and create certain security interests for the Bridge Loan: (1) Caltrans shall relinquish its Power of Termination with respect to Parcel F and Redevelopment Block 4, and any interest Caltrans has in the Gross Sales Proceeds of such parcels (including any requirement that such Gross Sales Proceeds be deposited in the Trust Account) and any gross lease revenues generated from any portion of such parcels, in exchange for a portion of the proceeds of the Bridge Loan being deposited in the Trust Account at the closing of the Bridge Loan (the "**Caltrans Release**"), (2) TJPA shall execute a deed of trust, assignment of leases and rents and security agreement, creating a first priority pledge of, security interest in and lien on all of TJPA's right, title and interest in and to Parcel F, as well as, among other things, the cash proceeds from the sale, lease or other disposition of Parcel F, but excluding improvements related to the train box component of the Transbay Transit Center (the "**Deed of Trust**"), (3) TJPA shall execute a recordable negative covenant on Parcels O, O', and O'', prohibiting TJPA from selling or encumbering Redevelopment Block 4 before the Bridge Loan is repaid in full, unless TJPA deposits a specified amount into a "lockbox" account (the "**Lockbox Account**") as collateral for the Bridge Loan (the "**Negative Pledge**"); and (4) TJPA and the Agency shall subordinate the Option Agreement and the Agency's interest in the

Option relative to Parcel F to the Deed of Trust, and the Option Agreement and the Agency's interest in the Option relative to Parcels O, O', and O'' to the Negative Pledge (the "**Subordinations**"). The Credit Agreement establishes a minimum price (the "**Lien Release Price**") for each of Parcel F and Redevelopment Block 4 that must be achieved in order for a sale of Parcel F or Redevelopment Block 4 to be permitted under the Credit Agreement and the Deed of Trust (in the case of Parcel F) or the Negative Pledge (in the case of Redevelopment Block 4). TJPA and the Agency have determined that the Lien Release Price is reasonably achievable, after taking into consideration the Redevelopment Plan development restrictions, environmental contamination, legally required affordable housing, and other conditions which reasonably affect the fair market value; the Lien Release Price is not subject to change. Nothing in the Credit Agreement, the Deed of Trust, the Negative Pledge, and the Subordinations prevents the Agency from fulfilling its obligations under the Transbay Final and Conclusive Enforceable Obligations with respect to Parcel F, Redevelopment Block 4, or any other portion of Parcels O, O', and O''.

T. The Bridge Loan has a four year term and may be prepaid by TJPA without penalty or premium after the first anniversary of the closing of the Bridge Loan. TJPA expects to satisfy the conditions precedent under the TIFIA Loan, draw on the TIFIA Loan, and prepay in full the Bridge Loan in late 2015, although the schedule is subject to change. Pursuant to the Credit Agreement and the Subordinations, the Deed of Trust and the Negative Pledge will each be released when TJPA repays the Bridge Loan in full. Thus, TJPA expects that the Agency's Subordinations would be released in late 2015, one to two years before the Agency would otherwise be eligible to exercise its Option to acquire Parcel F or Redevelopment Block 4, although the schedule is subject to change.

U. In the event that the Agency is eligible to exercise its Option to acquire Parcel F or Redevelopment Block 4 before the TJPA repays the Bridge Loan in full, the Credit Agreement, the Deed of Trust, the Negative Pledge, and the Subordinations expressly acknowledge the requirement for the Agency to fulfill the Transbay Affordable Housing Obligation and authorize the Agency to exercise the Option relative to Parcel F or Redevelopment Block 4, as the case may be, in accordance with the Option Agreement, and require the release of the Deed of Trust or the Negative Pledge, as applicable, provided that (1) TJPA is not in default under the Credit Agreement or the other Bridge Loan documents, (2) the Gross Sales Proceeds from the Agency's sale of Parcel F or Redevelopment Block 4, as the case may be, to a third party are equal to or greater than the Lien Release Price for Parcel F or Redevelopment Block 4, as applicable, (3) those Gross Sales Proceeds are deposited into the Lockbox Account, and (4) certain other conditions set forth in the Subordinations are satisfied.

V. In the event of a foreclosure sale or a sale pursuant to any power of sale contained in or under any mortgage, deed of trust, or other encumbrance upon all or any portion of Parcel F or Redevelopment Block 4, the purchaser or purchasers and their successors and assigns, and the property, shall continue to be subject to all of the conditions, restrictions and covenants provided in the Transbay Final and Conclusive Enforceable Obligations and Declaration of Restrictions, and the Agency retains the obligation and authority to determine the infrastructure, affordable housing, and open space requirements that apply to any development on all or any portion of Parcel F or Redevelopment Block 4. Pursuant to the Credit Agreement, the Deed of Trust, the Negative Pledge, and the Subordinations, the Lenders expressly acknowledge that the terms and

conditions of the Transbay Final and Conclusive Enforceable Obligations, including the Transbay Affordable Housing Obligation, apply to and pass with Parcel F and Redevelopment Block 4, and apply to and bind the successors in interest of any owner of all or any portion of Parcel F and Redevelopment Block 4; and that Parcel F and Redevelopment Block 4 shall be held, transferred, sold and conveyed, subject to the conditions, restrictions, reservations and covenants set forth in the Transbay Final and Conclusive Enforceable Obligations and Declaration of Restrictions.

W. In order to (1) permit TJPA to offer the Deed of Trust for Parcel F and the Negative Pledge for Parcels O, O', and O'' as security for the Bridge Loan, and (2) authorize TJPA and the Agency to subordinate to the Deed of Trust and the Negative Pledge the Option Agreement and the Agency's rights and privileges under the Option relative to Parcel F and Parcels O, O', and O'', all for the purpose of facilitating timely completion of construction of Phase 1 of the Transbay Terminal Project, and the significant public and tax benefits that derive therefrom under the Redevelopment Project, the City, TJPA, and the Agency wish to enter into this First Amendment.

X. This First Amendment is in the best interests of the taxing entities, including the City and TJPA. This First Amendment will: (1) facilitate timely completion of construction of Phase 1 of the Transbay Terminal Project, which is a public benefit, will help to revitalize the Project Area and stimulate private investment, and is a central part of the Redevelopment Project, (2) facilitate the Agency's timely implementation of the disposition and development of Redevelopment Block 4 and Parcel F under the Redevelopment Project, (3) facilitate the Agency's fulfillment of the Transbay Affordable Housing Obligation, and (4) generate timely receipt of property tax revenues by the taxing entities. This First Amendment will significantly aid the winding down of the affairs of the Agency.

AGREEMENT

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

1. Agency Transfer Parcels Subject to First Amendment. The following Agency Transfer Parcels are subject to the provisions of this First Amendment: Parcel F, Parcel O, Parcel O', and Parcel O'', as such parcels are more particularly shown in the map attached to the Option Agreement as Exhibit A-1 thereto.

2. Cooperative Agreement and Transbay Final and Conclusive Enforceable Obligations. The intent of this First Amendment is in furtherance of the Cooperative Agreement, as may have been modified by Caltrans under the Caltrans Release, and of the Transbay Final and Conclusive Enforceable Obligations.

3. Exercise of Option.

(a) The terms, conditions, and requirements for the exercise of the Option for Parcel F and Parcel O, Parcel O', and Parcel O'' shall be supplemented by, subject to and

modified by, as necessary, the terms, conditions, and requirements in the final form of the following documents to be recorded in the Official Records of the City and County of San Francisco against Parcel F and Parcel O, Parcel O', and Parcel O'': the Deed of Trust, the substantial form of which is attached hereto as Exhibit A and which shall encumber Parcel F and will encumber Redevelopment Block 4 if the Negative Pledge is released as to Parcel O, Parcel O', and Parcel O'' pursuant to the terms of the Negative Pledge; the Negative Pledge, the substantial form of which is attached hereto as Exhibit B and which shall encumber Parcels O, O', and O''; and the Subordinations, the substantial forms of which are attached hereto as Exhibits C and D, one which shall encumber Parcel F and one of which shall encumber Parcels O, O', and O''; provided, however, that nothing in the Deed of Trust, the Negative Pledge and the Subordinations shall be construed as preventing the Agency from fulfilling its Transbay Final and Conclusive Enforceable Obligations with respect to Parcel F, Redevelopment Block 4, and any other portion of Parcels O, O', and O''.

(b) After a Caltrans Release has been recorded as to Parcel F and Redevelopment Block 4, the requirements of Articles 5 and 6 of the Option Agreement relating to the State's review and approval of the Gross Sales Proceeds and Baseline Valuation for Parcel F and Redevelopment Block 4 shall no longer apply. If Agency exercises the Option as to Parcel F or Redevelopment Block 4 while the Subordination affecting such parcel is in effect, Agency shall obtain the fair market value appraisal described in Section 6.1 of the Option Agreement and follow the requirements for the deposit of Gross Sales Proceeds with respect to such parcel in compliance with the Subordination that affects such parcel. If the collective Gross Sales Proceeds for Parcel F and Redevelopment Block 4 exceeds \$124,592,500, and such excess amount (the "**Excess Amount**") remains in the Lockbox Account after the Bridge Loan is paid in full, such Excess Amount shall be deposited in the Trust Account one (1) business day after repayment of the Bridge Loan in full.

(c) If Agency exercises the Option as to Parcel F or Redevelopment Block 4 after the termination of the Subordination affecting such parcel and sells such parcel to a third party, Agency shall obtain the fair market value appraisal described in Section 6.1 of the Option Agreement, and deposit the Gross Sales Proceeds from such sale in the Trust Account on the closing of such sale.

(d) The City's Board of Supervisors will review and approve transfers of such parcels from the Agency to third parties prior to the final transfer of such parcel consistent with the review and approval process provided in California Health and Safety Code Section 33433.

4. Consent to Encumbrances; Consent to Subordinations. Notwithstanding anything to the contrary under the Option Agreement (including without limitation Section 12.2 thereof) or otherwise, if the Bridge Loan is made pursuant to the terms and conditions of the Credit Agreement and all of the Bridge Loan proceeds are deposited in the Trust Account, less any amounts necessary to reserve for capitalized interest, hedging costs, required expense reserves and transaction fees with respect to the Bridge Loan and up to \$9.9 million to pay for construction related soft costs for the Transbay Terminal Project, then: (a) the Agency and the City hereby consent to, and agree that TJPA and Goldman shall be permitted to record, the Deed of Trust, in substantially the form attached hereto as Exhibit A, against Parcel F; (b) the Agency

and the City hereby consent to, and agree that TJPA and Goldman shall be permitted to record, the Negative Pledge, in substantially the form attached hereto as Exhibit B, against Parcels O, O', and O"; and (c) the Agency and the City hereby consent to, and agree that TJPA and the Agency shall be permitted to record, the Subordinations, in substantially the form attached hereto as Exhibits C and D, against Parcel F and Parcels O, O', and O", respectively.

5. Bridge Loan Payments. TJPA, Goldman, and Lenders are parties to a Facility Collateral Agency and Account Agreement that established the Lockbox Account and the accounts known as the "Capitalized Interest Account", "Expense Reserve Account", and "Net Insurance Proceeds Subaccount". TJPA will pay the Obligations (as defined in the Credit Agreement) when due with the TIFIA Loan proceeds, the funds in the Capitalized Interest Account, the Expense Reserve Account, and the Net Insurance Proceeds Subaccount, and the Lockbox Account funds that do not comprise the Excess Amount (the "**Additional Deposit Funds**") to the extent that such proceeds and funds are sufficient and available for such use. If such proceeds and funds are not sufficient and available for the payment of any Obligations when due, TJPA shall notify City and the Agency of such matter and the Excess Amount may be disbursed in the manner described in the Facility Collateral Agency and Account Agreement; provided, however, in such event, that TJPA shall deposit sums in the Trust Account equal to the used portion of the Excess Amount if and when it receives funds that are legally available for such purpose.

6. Miscellaneous.

(a) Incorporation. This First Amendment constitutes a part of the Option Agreement and each reference to the Option Agreement shall be deemed to include a reference to the Option Agreement as amended by this First Amendment.

(b) Ratification. To the extent of any inconsistency between this First Amendment and the Option Agreement, the provisions contained in this First Amendment shall control. Except as expressly amended by this First Amendment, all terms, covenants, conditions, and provisions of the Option Agreement shall remain in full force and effect.

(c) Other Definitions. All capitalized terms used but not defined herein shall have the meanings assigned thereto in the Option Agreement.

(d) Successors and Assigns. This First Amendment shall be binding upon and inure to the benefit of the successors and assigns of the parties, subject to the limitations set forth in the Option Agreement.

(e) Counterparts. This First Amendment may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute one and the same document, binding on all parties hereto notwithstanding that each of the parties hereto may have signed different counterparts. Delivery of this First Amendment may be effectuated by hand delivery, mail, overnight courier services, or electronic communication (including by PDF sent by electronic mail, facsimile, or similar means of electronic communication). Any electronic signatures shall have the same legal effect as manual signatures.

(f) Governing Law; Venue. This First Amendment shall be governed by and construed in accordance with the laws of the State of California and the City's Charter. The parties hereto agree that all actions or proceedings arising directly or indirectly under this First Amendment shall be litigated in courts located within the County of San Francisco, State of California.

(g) Integration. This First Amendment contains the entire agreement between the parties hereto with respect to the subject matter of this First Amendment. Any prior correspondence, memoranda, agreements, warranties or representations relating to such subject matter are superseded in total by this First Amendment. No prior drafts of this First Amendment or changes from those drafts to the executed version of this First Amendment shall be introduced as evidence in any litigation or other dispute resolution proceeding by either party hereto or any other persons, and no court or other body shall consider those drafts in interpreting this First Amendment.

(h) Further Assurances. The parties shall execute and deliver all documents, amendments, agreements, and instruments reasonably necessary or reasonably required in furtherance of this First Amendment, including documents and agreements attached to this First Amendment or incorporated herein by reference, and other documents reasonably related to the foregoing.

(i) Effective Date. This First Amendment shall become effective on the latest to occur of (the "**First Amendment Effective Date**") (i) the date that it is duly executed and delivered by the parties hereto, (ii) the effective date of the last resolution required to be adopted by the legislative body of the parties hereto authorizing that party to enter this First Amendment, (iii) the effective date of a resolution adopted by the Oversight Board approving this First Amendment, or (iv) the date of closing of the Bridge Loan.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have each caused this First Amendment to be duly executed on its behalf as of the First Amendment Effective Date.

AGENCY:

Authorized by Agency Resolution
No. 91-2014 adopted November 4, 2014

Oversight Board Resolution
No. 14-2014 adopted December 12, 2014

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO,
a public body, corporate and politic

By: 
Name: Tiffany Bohee
Title: Executive Director

APPROVED AS TO FORM:

By: 
James B Morales
General Counsel

TJPA:

Authorized by TJPA Resolution
No. 14-038 adopted November 13, 2014

TRANSBAY JOINT POWERS AUTHORITY, a
Joint Powers Agency

By: _____
Name: Maria Ayerdi-Kaplan
Title: Executive Director

APPROVED AS TO FORM:

By: _____
Deborah Miller
Shute, Mihaly & Weinberger

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

[Signature Page to First Amendment to Option Agreement]

IN WITNESS WHEREOF, the parties have each caused this First Amendment to be duly executed on its behalf as of the First Amendment Effective Date.

AGENCY:

Authorized by Agency Resolution
No. 91-2014 adopted November 4, 2014

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO,
a public body, corporate and politic

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By: _____
Name: Maria Ayerdi-Kaplan
Title: Executive Director

APPROVED AS TO FORM:

By: _____
Deborah Miller
Shute, Mihaly & Weinberger

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

[Signature Page to First Amendment to Option Agreement]

CITY:

CITY AND COUNTY OF SAN FRANCISCO, a
municipal corporation

By: 

Name: John Updike

Title Director of Property

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: 

Deputy City Attorney

[Signature Page to First Amendment to Option Agreement]

EXHIBIT A
DEED OF TRUST

See Attachment

RECORDING REQUESTED BY
AND WHEN RECORDED
MAIL TO:

Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, CA 94105
Attn: Zachary S. Finley, Esq.

Space Above for Recorder's Use Only

APN(s)/Parcel ID(s): Lot 015A, 016, and 031, Block 3721

TRANSBAY JOINT POWERS AUTHORITY
(Trustor)

to

CHICAGO TITLE INSURANCE COMPANY
(Trustee)

for the Benefit of

GOLDMAN SACHS BANK USA, as Collateral Agent
(Beneficiary)

**DEED OF TRUST,
ASSIGNMENT OF LEASES AND RENTS,
AND SECURITY AGREEMENT**

Dated: As of January ___, 2015

Location: As described on Exhibit A attached hereto

**DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS AND
SECURITY AGREEMENT**

THIS **DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT** (this “*Deed of Trust*”) is made as of this ____ day of January, 2015, by **TRANSBAY JOINT POWERS AUTHORITY**, a joint powers authority created pursuant to an agreement among the City and County of San Francisco, the Alameda-Contra Costa Transit District and the Peninsula Corridor Joint Powers Board (Caltrain) and California Government Code Section 6500 et seq., having its principal place of business at 201 Mission Street, Suite 2100, San Francisco, California 94105, as trustor (“*Trustor*”), to **CHICAGO TITLE INSURANCE COMPANY**, a Nebraska corporation having an address of 455 Market Street, Suite 2100, San Francisco, California 94105, as trustee (“*Trustee*”), for the benefit of **GOLDMAN SACHS BANK USA**, as Collateral Agent for the Secured Parties (as defined in the Credit Agreement referred to below), having an address at 200 West Street, 16th Floor New York, New York 10282, Attention: SBD Operations (together with its successors and/or assigns in such capacity, “*Beneficiary*”), as beneficiary.

W I T N E S S E T H:

A. Pursuant to that certain Credit Agreement, dated as of the date hereof (as amended, restated, supplemented, extended or otherwise modified from time to time and as refinanced, refunded or replaced from time to time, the “*Credit Agreement*”), by and among Trustor, as Borrower, the financial institutions from time to time party thereto, as lenders (“*Lenders*”), and Goldman Sachs Bank USA, as Sole Lead Arranger, Sole Lead Bookrunner, Syndication Agent, Administrative Agent and Collateral Agent, Lenders have agreed to extend a senior secured term loan facility (the “*Term Facility*”) to Trustor in an aggregate principal amount of One Hundred Seventy-One Million Dollars (\$171,000,000). Capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Credit Agreement.

B. Trustor desires to secure the payment of loans made by Lenders under the Term Facility (“*Loans*”) and the payment and performance of all other Obligations by, among other things, executing and delivering this Deed of Trust in favor of Trustee for the benefit of Beneficiary.

NOW THEREFORE, in consideration of the making of the Loans by the Lenders and the covenants, agreements, representations and warranties set forth in this Deed of Trust:

ARTICLE I.

GRANTS OF SECURITY

Section 1.01 Trust Property. Trustor does hereby irrevocably mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey unto Trustee, in trust for the benefit of Beneficiary and its successors and assigns, for the benefit of the Lenders, WITH POWER OF SALE, all right, title, interest and estate of Trustor now owned, or hereafter acquired, in and to

the following (it being understood that all property of tenants under any Lease (“**Tenants**”) are excluded from the scope of this Deed of Trust) (collectively, the “**Property**”);

(a) Land. The real property described in **Exhibit A** attached hereto and made a part hereof (the “**Land**”);

(b) Additional Land. All additional lands, estates and development rights hereafter acquired by Trustor which may, from time to time, by supplemental mortgage or otherwise be expressly made subject to the lien of this Deed of Trust;

(c) Improvements. The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Land, but excluding improvements related to the train box component of the Transbay Transit Center reserved and constructed pursuant to the terms and conditions of that certain Reservation of Easements for Transbay Subsurface Facilities and Transbay Venting Facilities dated as of the date hereof and placed of record by Trustor (collectively, the “**Improvements**”);

(d) Easements. All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging or pertaining to the Land and the Improvements and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Trustor of, in and to the Land and the Improvements and every part and parcel thereof, with the appurtenances thereto;

(e) Leases and Rents. All leases, subleases or subsubleases, lettings, licenses, concessions or other agreements (whether written or oral) pursuant to which any Person is granted a possessory interest in, or right to use or occupy all or any portion of the Land and the Improvements, and every modification, amendment or other agreement relating to such leases, subleases, subsubleases, or other agreements entered into in connection with such leases, subleases, subsubleases, or other agreements and every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto, heretofore or hereafter entered into, whether before or after the filing by or against Trustor of any petition for relief under 11 U.S.C. §101 et seq., as the same may be amended from time to time (the “**Bankruptcy Code**”) but excluding the occupancy rights of the CM/GC under the CM/GC Agreement (collectively, the “**Leases**”), and all right, title and interest of Trustor, its successors and assigns, therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the lessees of their obligations thereunder and all rents, additional rents, revenues, issues and profits (including all oil and gas or other mineral royalties and bonuses) from the Land and the Improvements, whether paid or accruing before or after the filing by or against Trustor of any petition for relief under the Bankruptcy Code (collectively, the “**Rents**”), and all proceeds from the sale or other disposition

of the Leases and the right, if any, to receive and apply the Rents to the payment and performance of the Obligations, including the payment of the Loans;

(f) Condemnation Awards. All awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to the Property, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer made in lieu of or in anticipation of the exercise of such right), or for a change of grade, or for any other injury to or decrease in the value of the Property;

(g) Insurance Proceeds. All proceeds in respect of the Property under any insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments or settlements made in lieu thereof, for damage to the Property;

(h) Tax Certiorari. All refunds, rebates or credits in connection with any reduction in Taxes (as hereinafter defined) or Other Charges (as hereinafter defined) assessed against the Property as a result of tax certiorari proceedings or any other applications or proceedings for reduction;

(i) Rights. The right, in the name and on behalf of Trustor, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Beneficiary in the Property;

(j) Agreements. To the extent assignable, all agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the business use, occupation, construction, management or operation of the Land and any part thereof and any Improvements or respecting any business conducted on the Land and any part thereof and all right, title and interest of Trustor therein and thereunder, including, without limitation, the right, upon the happening of any default hereunder, to receive and collect any sums payable to Trustor thereunder;

(k) Intellectual Property. All trade names, trademarks, service marks, logos, copyrights, goodwill, URLs or other online media, books and records and all other general intangibles relating to or used in connection with the operation of the Property;

(l) Accounts. All reserves, escrows and deposit accounts maintained by Trustor with respect to the Property, including, without limitation, all accounts established or maintained pursuant to the Credit Agreement or any other Credit Document, together with all deposits or wire transfers made to such accounts, and all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property held therein from time to time, and all proceeds, products, distributions, dividends and/or substitutions thereon and thereof;

(m) Minerals. All minerals, crops, timber, trees, shrubs, flowers and landscaping features now or hereafter located on, under or above Land;

(n) Proceeds. All proceeds of any of the foregoing, including, without limitation, proceeds of insurance and condemnation awards, whether in cash or in liquidation or other claims, or otherwise; and

(o) Other Rights. Any and all other rights of Trustor in and to the items set forth in Subsections (a) through (n) above.

AND, it being understood and agreed that the Improvements are part and parcel of the Land (the Land, and the Improvements collectively referred to as the “***Real Property***”) appropriated to the use thereof and, whether affixed or annexed to the Land or not, shall for the purposes of this Deed of Trust be deemed conclusively to be real estate and subject to the lien hereof.

Section 1.02 Assignment of Rents. Trustor hereby absolutely and unconditionally assigns to Beneficiary all of Trustor’s right, title and interest in and to all current and future Leases and Rents; it being intended by Trustor that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to the terms of Section 7.01(h) of this Deed of Trust, Beneficiary grants to Trustor a revocable license to collect, receive, use and enjoy the Rents. Trustor shall hold the Rents, or a portion thereof sufficient to discharge all current sums due on the Loans, for use in the payment of such sums.

CONDITIONS TO GRANT

TO HAVE AND TO HOLD the above granted and described Property unto and to the use and benefit of Beneficiary and its successors and assigns, forever;

PROVIDED, HOWEVER, these presents are upon the express condition that, if Trustor shall well and truly pay and perform the Obligations (including the payment of the Loans but excluding any obligations arising under Hedge Agreements) at the time and in the manner provided in this Deed of Trust, the Credit Agreement and the other Credit Documents, and shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Credit Agreement and the other Credit Documents, these presents and the estate hereby granted shall cease, terminate and be void; provided, however, that Trustor’s obligation to indemnify and hold harmless the Indemnitees pursuant to the provisions hereof that expressly survive termination shall survive any such payment or release.

ARTICLE II.

LOANS AND OTHER OBLIGATIONS SECURED

Section 2.01 Obligations. This Deed of Trust and the grants, assignments and transfers made in Article I are given for the purpose of securing the Obligations, including, but not limited to, the Loans and the following:

- (a) the performance of all Obligations of Trustor contained herein;
- (b) the performance of each Obligation of Trustor contained in each other Credit Document and each Hedge Agreement; and

(c) the performance of each Obligation of Trustor contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of the Credit Agreement, any other Credit Document or any Hedge Agreement.

Section 2.02 Loan Repayment. Provided that no Event of Default exists, the Lien of this Deed of Trust shall be terminated, released and reconveyed of record by Beneficiary (and the Trustee, to the extent required by law to effect a full and proper termination, release and reconveyance) prior to the Maturity Date only in accordance with the terms and provisions set forth in the Credit Agreement.

ARTICLE III.

TRUSTOR COVENANTS

Trustor covenants and agrees that:

Section 3.01 Payment of Loans. The Obligations will be paid and performed at the time and in the manner provided in the Credit Agreement, the other Credit Documents and the Hedge Agreements, as applicable.

Section 3.02 Incorporation by Reference. All the covenants, conditions and agreements of Trustor contained in all of the Credit Documents executed by Trustor are hereby made a part of this Deed of Trust to the same extent and with the same force as if fully set forth herein. Without limiting the generality of the foregoing, Trustor (i) agrees to insure, repair, maintain and restore damage to the Property in accordance with the Credit Agreement, pay mean real estate and personal property taxes, assessments, water rates or sewer rents, now or hereafter levied or assessed or imposed against all or part of the Property (individually or collectively, “**Taxes**”) and all maintenance charges, impositions other than Taxes, and any other charges, including vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Property, now or hereafter levied or assessed or imposed against the Property or any part thereof (individually or collectively, “**Other Charges**”), and comply with all requirements of law applicable to the Property including but not limited to, the requirements for affordable housing, as described in Section 5027.1 of the California Public Resources Code, incorporated into the Redevelopment Plan and that certain Implementation Agreement, dated as of January 20, 2005 between the Trustor and the Redevelopment Agency of the City and County of San Francisco, and finally and conclusively determined by the California Department of Finance to be enforceable obligations under the Redevelopment Dissolution Law (the “**Transbay Affordable Housing Obligation**”) and the requirement for the parcelization and assembly of land into block and lots that are suitable for development, as described in the Development Controls and Design Guidelines for the Transbay Redevelopment Project (“**Development Controls**” and, together with the Transbay Affordable Housing Obligation and other legal requirements, collectively, “**Requirements of Law**”), and (ii) agrees that any Asset Sale Proceeds or Net Insurance/Condemnation Proceeds with respect to the Property shall be settled, held, applied and/or disbursed in accordance with the Credit Agreement.

Section 3.03 Performance of Other Agreements. Trustor shall observe and perform each and every term, covenant and provision to be observed or performed by or pertaining to

Trustor pursuant to the Credit Agreement, any other Credit Document and any Hedge Agreement, and each material term, covenant and provision of any other agreement or recorded instrument affecting or pertaining to the Property, and any amendments, modifications or changes thereto.

ARTICLE IV.

OBLIGATIONS AND RELIANCES

Section 4.01 Relationship of Trustor and Secured Parties. The relationship between Trustor and Secured Parties is solely that of debtor and creditor, and no Secured Party has a fiduciary or other special relationship with Trustor, and no term or condition of any of the Credit Agreement, this Deed of Trust, the other Credit Documents or the Hedge Agreements shall be construed so as to deem the relationship between Trustor and any Secured Party to be other than that of debtor and creditor.

Section 4.02 No Reliance on Beneficiary or Secured Parties. The direct or indirect general partners, members, principals and beneficial owners and/or managers of Trustor or the foregoing, as applicable, are experienced in the ownership and operation of properties similar to the Property, and Trustor, Beneficiary and the Secured Parties are relying solely upon such expertise and business plan in connection with the ownership and operation of the Property. Trustor is not relying on Beneficiary's or any of the Secured Parties' expertise, business acumen or advice in connection with the Property.

Section 4.03 No Beneficiary Obligations.

(a) Notwithstanding the provisions of Subsections 1.01(e) and (j) or Section 1.02, Beneficiary is not undertaking the performance of (i) any obligations under the Leases, or (ii) any obligations with respect to any other agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses or other documents; provided, however, that nothing in this Deed of Trust shall affect compliance with the Requirements of Law.

(b) By accepting or approving anything required to be observed, performed or fulfilled or to be given to the Secured Parties pursuant to this Deed of Trust, the Credit Agreement, the other Credit Documents or the Hedge Agreements, including, without limitation, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal or insurance policy, neither Beneficiary nor any of the Secured Parties shall be deemed to have warranted, consented to, or affirmed the sufficiency, legality or effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Beneficiary or the Secured Parties.

Section 4.04 Reliance. Trustor recognizes and acknowledges that in accepting the Credit Agreement, this Deed of Trust and the other Credit Documents, Beneficiary and the Lenders are expressly and primarily relying on the truth and accuracy of the warranties and representations set forth in Section 4 of the Credit Agreement without any obligation to investigate the Property and notwithstanding any investigation of the Property by Beneficiary or the Lenders; that such reliance existed on the part of Beneficiary and Lenders prior to the date

hereof; that the warranties and representations are a material inducement to Lenders in making the Loans; and that the Lenders would not be willing to make the Loans and accept this Deed of Trust in the absence of the warranties and representations as set forth in Section 4 of the Credit Agreement.

ARTICLE V.

FURTHER ASSURANCES

Section 5.01 Recording of Deed of Trust, Etc. Trustor forthwith upon the execution and delivery of this Deed of Trust and thereafter, from time to time, will cause this Deed of Trust and any of the other Credit Documents creating a Lien or security interest or evidencing the Lien hereof upon the Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect and perfect the Lien or security interest hereof upon, and the interest of Beneficiary in, the Property. Subject to any limitation expressly set forth in the Credit Agreement, Trustor will pay all applicable taxes, filing, registration or recording fees, and all applicable expenses incident to the preparation, execution, acknowledgment and/or recording of this Deed of Trust, the other Credit Documents, any note, deed of trust or mortgage supplemental hereto, any security instrument with respect to the Property and any instrument of further assurance, and any modification or amendment of any of the foregoing documents, and all federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Deed of Trust, any deed of trust or mortgage supplemental hereto, any security instrument with respect to the Property or any instrument of further assurance, and any modification or amendment of any of the foregoing documents, except where prohibited by law so to do.

Section 5.02 Further Acts, Etc. Trustor will, at the cost of Trustor, and without expense to Beneficiary or the Lenders, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, deeds of trust, mortgages, assignments, notices of assignments, transfers and assurances as Beneficiary shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Beneficiary the property and rights hereby mortgaged, deeded, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Trustor may be or may hereafter become bound to convey or assign to Beneficiary, or for carrying out the intention or facilitating the performance of the terms of this Deed of Trust or for filing, registering or recording this Deed of Trust, or for complying with all Requirements of Law. Trustor, on demand, in form and substance reasonably acceptable to Beneficiary, will execute and deliver, and in the event it shall fail to so execute and deliver, hereby authorizes Beneficiary to execute in the name of Trustor or without the signature of Trustor to the extent Beneficiary may lawfully do so, one or more financing statements to evidence more effectively the security interest of Beneficiary in the Property. Trustor grants to Beneficiary an irrevocable power of attorney coupled with an interest for the purpose of perfecting any lien or security interest granted hereunder for the purposes of exercising any and all rights and remedies available to Beneficiary or the Lenders at law and in equity.

Section 5.03 Changes in Tax, Obligations, Credit and Documentary Stamp Laws.

(a) If any law is enacted or adopted or amended after the date of this Deed of Trust which deducts the Obligations from the value of the Property for the purpose of taxation or which imposes a tax, either directly or indirectly, on the Obligations or Beneficiary's interest in the Property (but expressly excluding income, franchise or similar taxes imposed on Beneficiary), Trustor will pay the tax, with interest and penalties thereon, if any.

(b) Trustor will not claim or demand or be entitled to any credit or credits on account of the Obligations for any part of the Taxes or Other Charges assessed against the Property, or any part thereof, and no deduction shall otherwise be made or claimed from the assessed value of the Property, or any part thereof, for real estate tax purposes by reason of this Deed of Trust or the Obligations.

(c) If at any time the United States of America, any State thereof having jurisdiction over this Deed of Trust or any subdivision of any such State shall require revenue or other stamps to be affixed to this Deed of Trust, or any of the other Credit Documents or shall impose any other tax or charge on the same, Trustor will pay for the same, with interest and penalties thereon, if any.

ARTICLE VI.

DUE ON SALE/ENCUMBRANCE

Section 6.01 Beneficiary Reliance. Trustor acknowledges that Beneficiary and the Secured Parties have a valid interest in maintaining the value of the Property so as to ensure that, should Trustor default in the payment and/or performance of the Obligations, including the repayment of the Loans, Beneficiary, on behalf of the Secured Parties, can recover all or a portion of the Obligations by a sale of the Property.

Section 6.02 No Transfer. Trustor shall not permit or suffer any transfer, sale or further encumbrance to occur except in accordance with the terms of the Credit Agreement.

ARTICLE VII.

RIGHTS AND REMEDIES UPON DEFAULT

Section 7.01 Remedies. Upon the occurrence and during the continuance of any Event of Default, Trustor agrees that Beneficiary may take such action, without notice or demand (except as expressly provided in the Credit Documents or required by applicable Requirements of Law), as it deems advisable at law or in equity to protect and enforce its rights against Trustor and in and to the Property, including, without limitation, to the fullest extent permitted by Requirements of Law, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Beneficiary may determine, without, to the fullest extent permitted by Requirements of Law, impairing or otherwise affecting the other rights and remedies of Beneficiary:

(a) foreclose this Deed of Trust, insofar as it encumbers the Property, either by judicial action or through Trustee. Foreclosure through Trustee will be initiated by Beneficiary's filing of its notice of election and demand for sale with Trustee. Upon the filing of such notice of election and demand for sale, Trustee shall promptly comply with all notice and other requirements of the laws of the State of California then in force with respect to such sales. The proceeds of any sale under this section shall be applied first to the fees and expenses of the officer conducting the sale, and then to the reduction or discharge of the Obligations in such order as Beneficiary may elect; any surplus remaining shall be paid over to Trustor or to such other person as may be lawfully entitled to such surplus. At the conclusion of any foreclosure sale, the officer conducting the sale shall execute and deliver to the purchaser at the sale such certificates of purchase or deeds or other instruments of conveyance as are permitted in accordance with California law. Nothing in this section dealing with foreclosure procedures or specifying particular actions to be taken by Beneficiary or by Trustee or any similar officer shall be deemed to contradict or add to the requirements and procedures now or hereafter specified by California law, and any such inconsistency shall be resolved in favor of California law applicable at the time of foreclosure;

(b) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Deed of Trust for the portion of the Obligations then due and payable, subject to the continuing lien and security interest of this Deed of Trust for the balance of the Obligations not then due, unimpaired and without loss of priority;

(c) sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Trustor therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof, all as may be required or permitted by law; and, without limiting the foregoing:

(d) (i) In connection with any sale or sales hereunder, Beneficiary shall be entitled, subject to the Requirements of Law, to elect to treat any of the Property which consists of (x) a right in action, or (y) property that can be severed from the Real Property covered hereby, or (z) any Improvements (without causing structural damage thereto), as if the same were, and dispose of the same in accordance with applicable law, separate and apart from the sale of the Real Property;

(ii) Should Beneficiary elect to sell any portion of the Property which is Real Property, Beneficiary shall give such notice of the occurrence of an Event of Default, if any, and its election to sell such Property, each as may then be required by law. Thereafter, upon the expiration of such time and the giving of such notice of sale as may then be required by law, subject to the terms hereof and of the other Credit Documents, and without the necessity of any demand on Trustor, Beneficiary at the time and place specified in the notice of sale, shall sell or cause to be sold such Real Property or part thereof at public auction to the highest bidder for cash in lawful money of the United States. Beneficiary may from time to time postpone any sale hereunder by public announcement thereof at the time and place noticed for any such sale; and

(iii) If the Property consists of several lots, parcels or items of property, Beneficiary shall, subject to applicable law, (A) designate the order in which such lots, parcels or items shall be offered for sale or sold, or (B) elect to sell such lots, parcels or items through a single sale, or through two or more successive sales, or in any other manner Beneficiary designates. Any Person, including Trustor or Beneficiary, may purchase at any sale hereunder. Should Beneficiary desire that more than one sale or other disposition of the Property be conducted, Beneficiary shall, subject to applicable law, cause such sales or dispositions to be conducted simultaneously, or successively, on the same day, or at such different days or times and in such order as Beneficiary may designate, and no such sale shall terminate or otherwise affect the Lien of this Deed of Trust on any part of the Property not sold until all the Obligations have been satisfied in full. In the event Beneficiary elects to dispose of the Property through more than one sale, except as otherwise provided by applicable law, Trustor agrees to pay the costs and expenses of each such sale and of any judicial proceedings wherein such sale may be made;

(e) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Credit Agreement or in the other Credit Documents;

(f) recover judgment on the Obligations either before, during or after any proceedings for the enforcement of this Deed of Trust, the other Credit Documents or the Hedge Agreements;

(g) apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice except as required by Requirements of Law and without regard for the adequacy of the security for the Loans and without regard for the solvency of Trustor, any guarantor or indemnitor with respect to the Loans or any Person otherwise liable for the payment of the Obligations or any part thereof;

(h) the license granted to Trustor under Section 1.02 hereof shall automatically be revoked and Beneficiary may enter into or upon the Property, either personally or by its agents, nominees or attorneys and dispossess Trustor and its agents and servants therefrom, without liability for trespass, damages or otherwise and exclude Trustor and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating thereto and Trustor agrees to surrender possession of the Property and of such books, records and accounts to Beneficiary during the continuance of an Event of Default, and thereupon Beneficiary or its agents, nominees or attorneys may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business there at; (ii) exercise all rights and powers of Trustor with respect to the Property, whether in the name of Trustor or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict tenants and demand, sue for, collect and receive all Rents of the Property and every part thereof; (iii) require Trustor to pay monthly in advance to Beneficiary, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Trustor; (iv) require Trustor to vacate and surrender possession of the Property to Beneficiary or to such receiver and, in default thereof, Trustor may be evicted by summary proceedings or otherwise; and (v) apply the receipts from the Property to the payment and performance of the Obligations (including, without

limitation, the payment of the Loans), in such order, priority and proportions as Beneficiary shall deem appropriate after deducting therefrom all reasonable expenses (including reasonable attorneys' fees and costs) incurred in connection with the aforesaid operations and all amounts necessary to pay the Taxes, Other Charges, premiums for all insurance required or otherwise maintained with respect to the Property (the "***Insurance Premiums***") and other expenses in connection with the Property, as well as just and reasonable compensation for the services of Beneficiary, its counsel, agents and employees; and/or

(i) pursue such other remedies as Beneficiary or the Secured Parties may have under applicable law.

In the event of a sale, by foreclosure, power of sale or otherwise, of less than all of Property, this Deed of Trust, to the fullest extent permitted by applicable law, shall continue as a Lien and security interest on the remaining portion of the Property unimpaired and without loss of priority.

Section 7.02 Application of Proceeds. The purchase money proceeds and avails of any disposition of the Property or any part thereof, or any other sums collected by Beneficiary pursuant to the Credit Agreement, this Deed of Trust or the other Credit Documents, shall, unless otherwise prohibited by applicable law, be applied by Beneficiary to the payment of the Obligations in the manner and order set forth in Section 8.2 of the Credit Agreement.

Upon any sale of the Property or any part thereof (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of Beneficiary or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Property so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to Beneficiary or such officer or be answerable in any way for the misapplication thereof.

Section 7.03 Right to Cure Defaults. During the continuance of any Event of Default, Beneficiary may, but without any obligation to do so and without further notice to or demand on Trustor and without releasing Trustor from any obligation hereunder, perform the obligations in Default in such manner and to such extent as Beneficiary may deem necessary to protect the security hereof. In connection with the foregoing, Beneficiary or its agents, nominees or attorneys are authorized to enter upon the Property for such purposes or appear in, defend or bring any action or proceeding to protect its interest in the Property or to foreclose this Deed of Trust or collect the Obligations, and the reasonable cost and expense thereof (including reasonable attorneys' fees and disbursements to the extent permitted by law), with interest thereon at the rate for default interest described in the Credit Agreement for the period after notice from Beneficiary that such cost or expense was incurred to the date of payment to Beneficiary, shall constitute a portion of the Obligations, shall be secured by this Deed of Trust and shall be due and payable to Beneficiary within three (3) days of demand.

Section 7.04 Other Rights, Etc.

(a) The failure of Beneficiary to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Deed of Trust. Trustor shall not be

relieved of Trustor's obligations hereunder by reason of (i) the failure of Beneficiary to comply with any request of Trustor or any guarantor or indemnitor with respect to the Obligations to take any action to foreclose this Deed of Trust or otherwise enforce any of the provisions hereof, (ii) the release, regardless of consideration, of the whole or any part of the Property, or of any Person liable for the Obligations or any portion thereof, or (iii) any agreement or stipulation by Beneficiary or the Secured Parties extending the time of payment or otherwise modifying or supplementing the terms of the Credit Agreement, this Deed of Trust, the other Credit Documents or the Hedge Agreements.

(b) It is agreed that the risk of loss or damage to the Property is on Trustor, and neither Beneficiary nor any of the Secured Parties shall have any liability whatsoever for any decline in value of the Property, for failure to maintain any insurance policies covering the Property, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Beneficiary shall not be deemed an election of judicial relief, if any such possession is requested or obtained, with respect to any Property or collateral not in Beneficiary's possession.

(c) Beneficiary may resort for the payment and performance of the Obligations (including, but not limited to, the payment of the Loans) to any other security held by Beneficiary or the Secured Parties in such order and manner as Beneficiary may elect. Beneficiary may take action to recover the Loans, or any portion thereof, or to enforce the other Obligations or any covenant hereof, without, to the fullest extent permitted by applicable law, prejudicing the right of Beneficiary thereafter to foreclose this Deed of Trust. The rights of Beneficiary under this Deed of Trust shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Beneficiary shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Beneficiary shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

Section 7.05 Right to Release Any Portion of the Property. Subject to the Requirements of Law, Beneficiary may release any portion of the Property for such consideration as Beneficiary (on behalf of the Secured Parties) may require without, as to the remainder of the Property, to the fullest extent permitted by applicable law, in any way impairing or affecting the Lien or priority of this Deed of Trust, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the Loans shall have been reduced by the actual monetary consideration, if any, received by Beneficiary for such release, and Beneficiary (for the benefit of the Secured Parties) may accept by assignment, pledge or otherwise any other property in place thereof as Beneficiary may require without being accountable for so doing to any other lienholder. This Deed of Trust shall continue as a Lien and security interest in the remaining portion of the Property.

Section 7.06 Violation of Laws. In the event that Trustor receives notice that the Property is not in material compliance with all Requirements of Law, Beneficiary may impose reasonable additional requirements upon Trustor in connection herewith.

Section 7.07 Right of Entry. Upon reasonable notice (which may be given verbally) to Trustor, Beneficiary and its agents shall have the right to enter and inspect the Property at all reasonable times.

ARTICLE VIII.

INDEMNIFICATION

Section 8.01 Mortgage and/or Intangible Tax. Trustor shall, at its sole cost and expense, defend, indemnify, release and hold harmless Beneficiary and each other Indemnatee from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including attorneys' fees and disbursements) imposed upon or incurred by or asserted against any Indemnatee by reason of any mortgage, recording, stamp, intangible or other similar taxes required to be paid by such Indemnatee under applicable Requirements of Law in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of this Deed of Trust (but excluding any income, franchise or other similar taxes).

Section 8.02 Duty to Defend; Attorneys' Fees and Other Fees and Expenses. Upon written request by any Indemnatee under Section 8.01 above, Trustor shall defend such Indemnatee (if requested by any Indemnatee, in the name of the Indemnatee) by attorneys and other professionals approved by the Indemnitees, or, at the option of such Indemnatee, such Indemnatee shall have the right to employ separate counsel of its own choosing and Trustor shall pay or, in the sole and absolute discretion of the Indemnitees, reimburse, the Indemnitees for the payment of the reasonable out-of-pocket fees and disbursements of attorneys. Trustor shall also pay or, in the sole and absolute discretion of the Indemnitees, reimburse, the Indemnitees for the payment of the reasonable out-of-pocket fees and disbursements of engineers, environmental consultants, laboratories and other professionals engaged in connection therewith.

ARTICLE IX.

WAIVERS

Section 9.01 Waiver of Counterclaim. To the extent permitted by applicable law, Trustor hereby waives the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Beneficiary or the Lenders arising out of or in any way connected with this Deed of Trust, the Credit Agreement, any of the other Credit Documents or the Obligations, except to the extent any such counterclaim arises from the gross negligence or willful misconduct of Beneficiary or the Lenders, as determined by a final, non-appealable judgment of a court of competent jurisdiction.

Section 9.02 Marshalling and Other Matters. To the extent permitted by applicable law, Trustor hereby waives the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property or any part thereof or any interest therein. Further, to the extent permitted by applicable law, Trustor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Deed of Trust on behalf of

Trustor, and on behalf of each and every Person acquiring any interest in or title to the Property subsequent to the date of this Deed of Trust.

Section 9.03 Waiver of Notice. To the extent permitted by applicable law, Trustor shall not be entitled to any notices of any nature whatsoever from Beneficiary, except with respect to matters for which this Deed of Trust or the Credit Documents specifically and expressly provide for the giving of notice by Beneficiary to Trustor and Trustor hereby expressly waives the right to receive any notice from Beneficiary with respect to any matter for which this Deed of Trust or the other Credit Documents do not specifically and expressly provide for the giving of notice by Beneficiary to Trustor.

Section 9.04 Waiver of Statute of Limitations. To the extent permitted by applicable law, Trustor hereby expressly waives and releases its right to plead any statute of limitations as a defense to the payment and performance of the Obligations (including, without limitation, the payment of the Loans).

Section 9.05 Waiver of Jury Trial. **TO THE MAXIMUM EXTENT NOT OTHERWISE PROHIBITED BY APPLICABLE LAW, EACH OF TRUSTOR AND BENEFICIARY, BY ITS ACCEPTANCE HEREOF, HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND FOREVER WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST, WITH REGARD TO THE CREDIT AGREEMENT, THIS DEED OF TRUST OR THE OTHER CREDIT DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY EACH OF TRUSTOR AND BENEFICIARY AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. EACH OF TRUSTOR, BENEFICIARY AND THE LENDERS ARE HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY TRUSTOR.**

Section 9.06 Survival. The indemnifications made pursuant to Article VIII herein shall continue indefinitely in full force and effect and shall survive and shall in no way be impaired by (a) any satisfaction, release or other termination of this Deed of Trust or any other Credit Document, (b) any assignment or other transfer of all or any portion of this Deed of Trust or any other Credit Document or Beneficiary's interest in the Property (but, in such case, such indemnifications shall benefit both the Indemnified Parties and any such assignee or transferee), (c) any exercise of Beneficiary's rights and remedies pursuant hereto, including, but not limited to, foreclosure or acceptance of a deed in lieu of foreclosure, any exercise of any rights and remedies pursuant to the Credit Agreement or any of the other Credit Documents, any transfer of all or any portion of the Property (whether by Trustor or by Beneficiary following foreclosure or acceptance of a deed in lieu of foreclosure or at any other time), (d) any amendment to this Deed of Trust, the Credit Agreement or any other Credit Document, (e) the resignation or removal of Beneficiary and/or (f) any act or omission that might otherwise be construed as a release or discharge of Trustor from the Obligations or any portion thereof.

ARTICLE X.

NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 10.1 of the Credit Agreement, provided that (i) the address for Trustor hereunder shall be the address used for Trustor as Borrower under the Credit Agreement, and (ii) the address for Beneficiary hereunder shall be the address used for Collateral Agent under the Credit Agreement.

ARTICLE XI.

APPLICABLE LAW

Section 11.01 Governing Law; Jurisdiction; Service of Process. WITH RESPECT TO MATTERS RELATING TO THE CREATION, PERFECTION AND PROCEDURES RELATING TO THE ENFORCEMENT OF THIS DEED OF TRUST, THIS DEED OF TRUST SHALL BE GOVERNED BY, AND BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED, IT BEING UNDERSTOOD THAT, EXCEPT AS EXPRESSLY SET FORTH ABOVE IN THIS PARAGRAPH AND TO THE FULLEST EXTENT PERMITTED BY THE LAW OF SUCH STATE, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES SHALL GOVERN ALL MATTERS RELATING TO THIS DEED OF TRUST; PROVIDED THAT WITH RESPECT TO THE MATTERS OF CAPACITY, POWER AND AUTHORITY OF TRUSTOR, THE LAWS OF THE STATE OF CALIFORNIA SHALL GOVERN. ALL PROVISIONS OF THE CREDIT AGREEMENT INCORPORATED HEREIN BY REFERENCE SHALL, TO THE EXTENT CONSISTENT WITH THE FOREGOING, BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES, AS SET FORTH IN THE GOVERNING LAW PROVISION OF THE CREDIT AGREEMENT.

Section 11.02 Usury Laws. Notwithstanding anything to the contrary, (a) all agreements and communications between Trustor, and Beneficiary are hereby and shall automatically be limited so that, after taking into account all amounts deemed to constitute interest, the interest contracted for, charged or received by Beneficiary shall never exceed the Highest Lawful Rate, (b) in calculating whether any interest exceeds the Highest Lawful Rate, all such interest shall be amortized, prorated, allocated and spread over the full amount and term of all principal indebtedness of Trustor to Beneficiary, and (c) if through any contingency or event, Beneficiary receives or is deemed to receive interest in excess of the Highest Lawful Rate, any such excess shall be deemed to have been applied toward payment of the principal of any and all then outstanding indebtedness of Trustor to the Lenders, or if there is no such indebtedness, shall immediately be returned to Trustor.

Section 11.03 Provisions Subject to Applicable Law. All rights, powers and remedies provided in this Deed of Trust may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary

so that they will not render this Deed of Trust invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Deed of Trust or any application thereof shall be invalid or unenforceable, the remainder of this Deed of Trust and any other application of the term shall not be affected thereby.

ARTICLE XII.

RULES OF INTERPRETATION

Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Deed of Trust may be used interchangeably in the singular or plural form and the word "Trustor" shall mean "each Trustor and any subsequent owner or owners of the Property or any part thereof or any interest therein," the word "Property" shall include any portion of the Property and any interest therein, and the phrases "attorneys' fees", "legal fees" and "counsel fees" shall include any and all attorneys', paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels, incurred or paid by Beneficiary in protecting its interest in the Property, the Leases and/or the Rents and/or in enforcing its rights hereunder. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms.

ARTICLE XIII.

MISCELLANEOUS PROVISIONS

Section 13.01 No Oral Change. This Deed of Trust, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Trustor or Beneficiary, but only by an agreement in writing signed by the party(ies) against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 13.02 Successors and Assigns. This Deed of Trust shall be binding upon, and shall inure to the benefit of, Trustor and Beneficiary and their respective successors and permitted assigns, as set forth in the Credit Agreement.

Section 13.03 Inapplicable Provisions. If any provision of this Deed of Trust is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Deed of Trust, such provision shall be fully severable and this Deed of Trust shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Deed of Trust, and the remaining provisions of this Deed of Trust shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Deed of Trust, unless such continued effectiveness of this Deed of Trust, as modified, would be contrary to the basic understandings and intentions of the parties as expressed herein.

Section 13.04 Headings, Etc. The headings and captions of the various Sections of this Deed of Trust are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 13.05 Intentionally omitted.

Section 13.06 Entire Agreement. The Credit Agreement, this Deed of Trust, the other Credit Documents and the Hedge Agreements constitute the entire understanding and agreement between Trustor, Beneficiary and the Secured Parties with respect to the transactions arising in connection with the Obligations and supersede all prior written or oral understandings and agreements between Trustor, Beneficiary and the Secured Parties with respect thereto. Trustor hereby acknowledges that, except as incorporated in writing in the Credit Agreement, this Deed of Trust, the other Credit Documents and the Hedge Agreements, there are not, and were not, and no Persons are or were authorized by Beneficiary or any Secured Party to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the transaction which is the subject of the Credit Agreement, this Deed of Trust, the other Credit Documents and the Hedge Agreements.

Section 13.07 Limitation on Beneficiary's Responsibility. No provision of this Deed of Trust shall operate to place any obligation or liability for the control, care, management or repair of the Property upon Beneficiary or the Secured Parties, nor shall it operate to make Beneficiary or the Secured Parties responsible or liable for any waste committed on the Property by the Tenants or any other Person, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any Tenant, licensee, employee or stranger. Nothing herein contained shall be construed as constituting Beneficiary or the Secured Parties a "mortgagee in possession."

Section 13.08 Recitals. The recitals hereof are a part hereof, form a basis for this Deed of Trust and shall be considered prima facie evidence of the facts and documents referred to therein.

Section 13.09 Trustee; Successor Trustee. Trustee shall not be liable for any error of judgment or act done by Trustee, or be otherwise responsible or accountable under any circumstances whatsoever, except if the result of Trustee's negligence or willful misconduct. Trustee shall not be personally liable in case of entry by him or anyone acting by virtue of the powers herein granted him upon the Property for debts contracted or liability or damages or damages incurred in the management or operation of the Property. Trustee shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by him hereunder or believed by him to be genuine. Trustee shall be entitled to reimbursement for actual expenses incurred by him in the performance of his duties hereunder and to reasonable compensation for such of his services hereunder as shall be rendered. Trustor will, from time to time, reimburse Trustee for and save and hold him harmless from and against any and all loss, cost, liability, damage and reasonable expense whatsoever incurred by him in the performance of his duties. All monies received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other monies (except to the extent

required by law) and Trustee shall be under no liability for interest on any monies received by him hereunder. Trustee may resign by giving of notice of such resignation in writing to Beneficiary. If Trustee shall die, resign or become disqualified from acting in the execution of this trust or shall fail or refuse to exercise the same when requested by Beneficiary or if for any or no reason and without cause Beneficiary shall prefer to appoint a substitute trustee to act instead of the original Trustee named herein, or any prior successor or substitute trustee, Beneficiary shall, without any formality or notice to Trustor or any other person, have full power to appoint a substitute trustee and, if Beneficiary so elects, several substitute trustees in succession who shall succeed to all the estate, rights, powers and duties of the aforementioned Trustee. Each appointment and substitution shall be evidenced by an instrument in writing which shall recite the parties to, and the book and page of record of, this Deed of Trust, and the description of the real property herein described, which instrument, executed and acknowledged by Beneficiary, shall (i) be conclusive proof of the proper substitution and appointment of such successor Trustee or Trustees, (ii) duly assign and transfer all the estates, properties, rights, powers and trusts of Trustee so ceasing to act and (iii) be notice of such proper substitution and appointment to all parties in interest. In addition, such Trustee ceasing to act shall duly assign, transfer, and deliver any of the property and monies held by Trustee to the successor Trustee so appointed in its or his place. The Trustee may act in the execution of this trust and may authorize one or more parties to act on his behalf to perform the ministerial functions required of him hereunder, including without limitation, the transmittal and posting of any notices and it shall not be necessary for any Trustee to be present in person at any foreclosure sale.

Section 13.10 Credit Agreement. All of the rights, privileges, protections and immunities of the Beneficiary set forth in the Credit Agreement shall apply to the Beneficiary for purpose of this Agreement.

ARTICLE XIV.

ADDITIONAL STATE SPECIFIC PROVISIONS

Section 14.01 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Article XIV and the terms and conditions of this Deed of Trust, the terms and conditions of this Article XIV shall control and be binding.

Section 14.02 Additional Remedies Provision. Upon the occurrence and continuance of an Event of Default, Trustor hereby authorizes and empowers Beneficiary, without any notice or demand, except to the extent required by applicable law, and without affecting the lien and charge of this Deed of Trust, to exercise any right or remedy which Beneficiary may have available to it, including, but not limited to, judicial foreclosure, exercise of rights of power of sale without judicial action as to any collateral security for the Obligations, whether real, personal or intangible property. Without limiting the foregoing, Trustor specifically agrees that any action maintained by Beneficiary for the appointment of any receiver, trustee or custodian to collect rents, issues or profits or to obtain possession of the Property shall not constitute an "action" within the meaning of Section 726 of the California Code of Civil Procedure.

Section 14.03 Credit Document Approval. Trustor has read and hereby approves the Credit Agreement, this Deed of Trust, the other Credit Documents, the Hedge Agreements and

all other documents relating thereto. Trustor acknowledges that it has been represented by counsel of its choice to review the Credit Agreement, this Deed of Trust, the other Credit Documents, the Hedge Agreements and all other documents relating thereto and said counsel has explained and Trustor understands the provisions thereof, or that Trustor has voluntarily declined to retain such counsel.

Section 14.04 Additional Waivers. Upon the occurrence and continuance of an Event of Default, Trustor hereby expressly waives diligence, demand, presentment, protest and notice of every kind and nature whatsoever (unless as otherwise required by law or under this Deed of Trust or the Credit Agreement) and waives any right to require Beneficiary to enforce any remedy against any guarantor, endorser or other person whatsoever prior to the exercise of its rights and remedies hereunder or otherwise.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, THIS DEED OF TRUST has been executed by Trustor as of the day and year first above written.

TRANSBAY JOINT POWERS AUTHORITY,
a Joint Powers Agency

By: _____
Name: Maria Ayerdi-Kaplan
Its: Executive Director

APPROVED AS TO FORM:

By: _____
Deborah Miller
Shute, Mihaly & Weinberger LLP

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of _____)

County of _____)

On _____, 2015, before me, _____, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION

For APN/Parcel ID(s): Lot 015A, 016, and 031, Block 3721

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

TRACT A:

PARCEL ONE:

All that parcel of land (State Parcel No. 371) conveyed to the State of California by Instrument recorded August 3, 1937, in Volume 3153, Page 450, Official Records of the City and County of San Francisco and described therein as follows:

BEGINNING at a point on the Northwestern line of Howard Street, distant thereon 275 feet Northeasterly from the Northeasterly line of 2nd Street; and running thence Northeasterly along said line of Howard Street, 50 feet; thence at a right angle Northwesternly 85 feet; thence at a right angle Southwesterly 50 feet; and thence at a right angle Southeasterly 85 feet to the point of beginning.

BEING portion of 100 Vara Block No. 347.

PARCEL TWO:

All that parcel of land (State Parcel No. 372) conveyed to the State of California by Instrument recorded September 4, 1937, in Volume 3192, Page 151, Official Records of the City and County of San Francisco and described therein as follows:

COMMENCING at a point on the Southeasterly line of Natoma Street, distant thereon 423 feet Northeasterly from the Northeasterly line of 2nd Street; running thence Northeasterly along said line of Natoma Street, 90 feet; thence at a right angle Southeasterly 50 feet; thence at a right angle Southwesterly 90 feet; and thence at a right angle Northwesternly 50 feet to the point of commencement.

BEING a portion of 100 Vara Block No. 347.

PARCEL THREE:

All that parcel of land (State Parcel No. 502) described in the Instrument recorded September 3, 1937, in Volume 3195, Page 96, Official Records of the City and County of San Francisco and described therein as follows:

COMMENCING at a point on the Southeasterly line of Natoma Street, distant thereon 335 feet Northeasterly from the Northeasterly line of 2nd street; running thence Northeasterly and along said line of Natoma Street, 88 feet; thence at a right angle Southeasterly 70 feet, 2 inches; thence

at a right angle Southwesterly 25 feet; thence at a right angle Southeasterly 10 feet; thence at a right angle Southwesterly 11 feet, 6 inches; thence at a right angle Southeasterly 85 feet to a point on the Northwesterly line of Howard street, distant thereon 386 feet, 6 inches Northeasterly from the Northeasterly line of 2nd Street; thence Southwesterly along said line of Howard Street, 61 feet, 6 inches; thence at a right angle Northwesterly 85 feet; thence at a right angle Southwesterly 28 feet; thence at a right angle Northwesterly 2 inches; thence in a direct line, Northwesterly 88 feet, 6-3/4 inches to the point of commencement.

BEING part of 100 Vara Block No. 347.

Assessor's Parcel No. : Lot 015A, Block 3721

TRACT B:

BEGINNING at a point on the Northwesterly line of Howard Street, distant thereon 386 feet and 6 inches Northeasterly from the Northeasterly line of 2nd Street; running thence Northeasterly along said line of Howard Street 36 feet and 6 inches; thence at a right angle Northwesterly 95 feet, more or less, to a point perpendicularly distant 70 feet and 2 inches Southeasterly from the Southeasterly line of Natoma Street; thence Southwesterly parallel with said Southeasterly line of Natoma Street 25 feet; thence at a right angle Southeasterly 10 feet; thence at a right angle Southwesterly 11 feet and 6 inches; thence at a right angle Southeasterly 85 feet, more or less, to the point of beginning.

BEING a portion of 100 Vara Block No. 347.

Assessor's Parcel No. : Lot 016, Block 3721

TRACT C:

BEGINNING at a point on the Southeasterly line of Natoma Street, distant thereon 255 feet Northeasterly from the Northeasterly line of 2nd Street; running thence Southeasterly parallel with said Northeasterly line of 2nd Street 65 feet, more or less, to a point perpendicularly distant 100 feet Northwesterly from the Northwesterly line of Howard Street; thence at a right angle Northeasterly parallel with said Northwesterly line of Howard Street 20 feet; thence at a right angle Southeasterly 15 feet to a point perpendicularly distant 85 feet Northwesterly from the Northwesterly line of Howard Street; thence Northeasterly parallel with said Northwesterly line of Howard Street 22 feet; thence at a right angle Northwesterly 2 inches; thence Northwesterly 88 feet and 6-3/4 inches, more or less, to a point on the Southeasterly line of Natoma Street, distant thereon 335 feet Northeasterly from the Northeasterly line of 2nd street; thence Southwesterly along said Southeasterly line of Natoma Street 80 feet to the point of beginning.

BEING a portion of 100 Vara Block No. 347.

Assessor's Parcel No.: Lot 031, Block 3721

EXHIBIT B
NEGATIVE PLEDGE

See Attachment

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Orrick, Herrington & Sutcliffe LLP
The Orrick Building
405 Howard Street
San Francisco, CA 94105
Attn.: Zachary S. Finley

Space Above for Recorder's Use Only

APN(s)/Parcel ID(s): Lot 008, Block 3739

AGREEMENT NOT TO ENCUMBER OR TRANSFER PROPERTY

THIS AGREEMENT NOT TO ENCUMBER OR TRANSFER PROPERTY (this "**Agreement**") is made and entered into as of the ___ day of January 2015, by and between the TRANSBAY JOINT POWERS AUTHORITY, a joint powers authority created pursuant to an agreement among the City and County of San Francisco, the Alameda-Contra Costa Transit District and the Peninsula Corridor Joint Powers Board (Caltrain) and under the California Joint Exercise of Powers Act, codified at California Government Code Sections 6500 *et seq.* ("**Borrower**"), and GOLDMAN SACHS BANK USA, as collateral agent on behalf the Secured Parties (as defined in the below-described Credit Agreement) (together with its successor and assigns in such capacity, "**Collateral Agent**").

RECITALS:

A. Pursuant to that certain Credit Agreement, dated as of the date hereof (as amended, restated, supplemented, extended or otherwise modified from time to time and as refinanced, refunded or replaced from time to time, the "**Credit Agreement**"), by and among Borrower, the financial institutions from time to time party thereto, as lenders ("**Lenders**"), and Goldman Sachs Bank USA, as Sole Lead Arranger, Sole Lead Bookrunner, Syndication Agent, Administrative Agent and Collateral Agent, Lenders have agreed to extend a senior secured term loan facility (the "**Term Facility**") to Borrower in an aggregate principal amount of \$171,000,000.

B. Borrower's Obligations (as defined in the Credit Agreement), including without limitation the repayment of certain loans made by Lenders under the Term Facility ("**Loans**"), are secured by, among other things, a pledge by Borrower of the Gross Sales Proceeds (as referenced in the below-described Option Agreement) from the disposition of a portion of that certain real property as more particularly described on Exhibit A hereto (the "**Property**") and commonly known as Transbay Parcels O, O', and O". The Credit Agreement, this Agreement and all other Credit Documents (as defined in the Credit Agreement) are referred to collectively herein as the "**Documents**."

C. Pursuant to that certain Option Agreement for the Purchase and Sale of Real Property, dated as of January 31, 2008 (the "**Original Option Agreement**"), by and among the

City and County of San Francisco, a municipal corporation (the “**City**”), Borrower and the former Redevelopment Agency of the City and County of San Francisco, a public body corporate and politic of the State, established pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code Sections 33000 *et seq.*) (“**Former Agency**”), Borrower and City granted the Former Agency an option to purchase the Property (the “**Option**”). The Office of Community Investment and Infrastructure, acting as the Successor Agency to the Former Agency (“**Agency**”), is successor in interest to the Option and the Former Agency’s rights and obligations under the Option Agreement. Pursuant to that certain First Amendment to Option Agreement, dated as of the date hereof (the “**Option Agreement Amendment**”; the Original Option Agreement, as amended by the Option Agreement Amendment, is referred to herein as the “**Option Agreement**”), the City and Agency consented to the Subordination of Option (as defined below) as to the Property, this Agreement and related matters.

D. Pursuant to certain affordable housing requirements (the “**Transbay Affordable Housing Obligation**”) described in Section 5027.1 of the California Public Resources Code, the Redevelopment Plan for the Transbay Redevelopment Project Area, approved by Ordinance No. 124-05, adopted by the Board of Supervisors of the City and County of San Francisco on June 21, 2005, and Ordinance No. 99-06, adopted by the Board of Supervisors of the City and County of San Francisco on May 9, 2006 (the “**Redevelopment Plan**”), and that certain Transbay Redevelopment Project Implementation Agreement, dated as of January 20, 2005, between the Borrower and the Former Agency, and finally and conclusively determined by the California Department of Finance to be an enforceable obligation under Redevelopment Dissolution Law, Part 1.85 (commencing with Section 34170) of the California Health and Safety Code (the “**Redevelopment Dissolution Law**”), the Project Area (as defined in the Redevelopment Plan) must be developed with a sufficient number of units of affordable housing necessary to achieve the Transbay Affordable Housing Obligation.

E. Agency’s current development plans for the Property pursuant to the Redevelopment Plan call for the development of affordable and market rate housing on the approximate northern one-third portion of the Property generally depicted as “Block 4” on Exhibit 4 to the Redevelopment Plan (“**Redevelopment Block 4**”), with the remainder of the Property (the “**Remainder Parcels**”) to be developed with public rights of way, a park, and affordable housing. Based on current projections of the housing units to be built within the Project Area, assuming Redevelopment Block 4’s projected capacity of 550 units total, up to 45% of those units, or 248 units, would need to be affordable units to achieve compliance with the Transbay Affordable Housing Obligation. Nothing in this Agreement shall affect this Transbay Affordable Housing Obligation with respect to the Property.

F. Pursuant to that certain Subordination of Option Agreement for the Purchase and Sale of Real Property, dated as of the date hereof (as amended, restated, supplemented, or otherwise modified from time to time, the “**Subordination of Option**”), by and among Borrower, Agency and Collateral Agent with respect to the Property, and acknowledged by the City, Agency and Borrower have agreed, *inter alia*, that the Option Agreement, the Option and all rights and privileges of Agency thereunder with respect to the Property are and shall at all times continue to be subject and unconditionally subordinate in all respects to the lien of this Agreement and the rights, privileges, and powers of Collateral Agent and Secured Parties hereunder upon the terms set forth in the Subordination of Option.

G. Lenders require as a condition to extending credit to Borrower under the Term Facility that Borrower enter into this Agreement to restrict certain rights of Borrower relative to the Property as set forth below.

AGREEMENT:

For good and valuable consideration the parties hereto agree as follows:

1. General Prohibition on Transfer and Encumbrance. Borrower hereby covenants with Collateral Agent that during the term of this Agreement, except: (a) as otherwise set forth in Section 2 of this Agreement or (b) as permitted under Section 6.4 of the Credit Agreement, Borrower shall not assign, mortgage, pledge, encumber, sell, exchange, convey, hypothecate, dispose of or otherwise transfer the Property, or any portion of, or any interest in, the Property without the prior written consent of Collateral Agent, nor shall Borrower allow any voluntary or involuntary lien or other encumbrance to exist on or be placed on record affecting Borrower's interest in the Property without the prior written consent of the Collateral Agent.

2. Exercise of Option. During the term of this Agreement, and so long as an Event of Default (as defined in the Credit Agreement) does not exist under the Documents, Collateral Agent agrees upon the terms and subject to the conditions set forth in Sections 6 and 7 of the Subordination of Option to permit Agency to exercise the Option for Redevelopment Block 4 in accordance with the Option Agreement, and to permit Borrower to transfer Redevelopment Block 4 to Agency in connection with such exercise of the Option. Agency shall further have the right to exercise the Option for the Remainder Parcels, and Borrower shall have the right to transfer the Remainder Parcels to Agency, at any time, even if there is an Event of Default under the Documents, so long as prior to such transfer of the Remainder Parcels, (i) Borrower or Agency shall have taken (or caused to be taken) such actions as may be necessary to subdivide the Property into separate legal parcels consisting of Redevelopment Block 4 and the Remainder Parcels and (ii) Borrower shall provide (or cause to be provided) to Collateral Agent, as security for the Obligations, a First Priority Mortgage (as those terms are defined in the Credit Agreement) on Redevelopment Block 4 (the "**Redevelopment Block 4 Mortgage**") and such title insurance policies, opinions and other deliverables with respect to such Mortgage as may be reasonably requested by Collateral Agent (including a subordination by Agency of the Option for Redevelopment Block 4 to such First Priority Mortgage, which subordination shall be substantially in the form of the Subordination of Option, excluding the references with respect to the Remainder Parcels), as described in Section 5.17 of the Credit Agreement (collectively, the "**Redevelopment Block 4 Mortgage Deliverables**").

3. Lien Rights. All third parties and persons in interest are, by the recordation of this instrument, placed on notice that in the event: (a) any lien or other encumbrance is hereafter placed of record in violation of the terms of this Agreement; or (b) a conveyance or other transfer of any part of the Property shall occur in violation of the terms of this Agreement; then, without the requirement of any action by the parties hereto, this instrument shall constitute a recorded lien effective from the date hereof, encumbering the Property and securing the full and faithful performance of all Obligations.

4. Affordable Housing. The Property and this Agreement are subject to the Transbay Affordable Housing Obligation, which applies to and passes with the Property and applies to and binds the successors in interest of any owner of the Property. The Property shall be held, transferred, sold and conveyed, subject to the conditions, restrictions, reservations and covenants set forth in Transbay Redevelopment Project Area Declaration of Restrictions, recorded in the Official Records of the City and County of San Francisco on August 4, 2006 as Document No. 2006I224839 (the “**Declaration of Restrictions**”), which include the Transbay Affordable Housing Obligation. In the event of any sale or transfer of the Property, the purchaser or purchasers and their successors and assigns, and the Property, shall continue to be subject to all of the conditions, restrictions and covenants provided in the Declaration of Restrictions; and, consistent with its enforceable obligations under the Redevelopment Dissolution Law, Agency retains full authority to determine the infrastructure, affordable housing, and open space requirements that apply to any development on the Property to meet the requirements of the Transbay Affordable Housing Obligation and implement the Redevelopment Plan.

5. Covenants Run With The Land. It is intended that the covenants, conditions, restrictions, rights and obligations set forth herein shall run with the land and shall bind every person having any interest in the Property and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns, heirs, and legal representatives.

6. GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF AND ANY DETERMINATIONS WITH RESPECT TO POST-JUDGMENT INTEREST) SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK; PROVIDED THAT WITH RESPECT TO THE MATTERS OF CAPACITY, POWER AND AUTHORITY OF BORROWER AND AGENCY, THE LAWS OF THE STATE OF CALIFORNIA SHALL GOVERN.

7. WAIVER OF JURY TRIAL. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER CREDIT DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS

WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 11 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER CREDIT DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS MADE UNDER THE CREDIT AGREEMENT. IN THE EVENT OF LITIGATION, THIS SUBORDINATION. MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

8. Notices. All notices or other written communications hereunder shall be deemed to have been properly given (i) upon delivery, if delivered in person or by facsimile transmission with receipt acknowledged by the recipient thereof, (ii) one (1) Business Day (hereinafter defined) after having been deposited for overnight delivery with any reputable overnight courier service, or (iii) three (3) Business Days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Borrower:

Transbay Joint Powers Authority
201 Mission Street, Suite 2100
San Francisco, CA 94105
Attention: Executive Director Maria Ayerdi-Kaplan

With a copy to Borrower's Legal Counsel:

Shute, Mihaly & Weinberger LLP
396 Hayes Street
San Francisco, CA 94102
Attention: Deborah Miller

If to Collateral Agent:

Goldman Sachs Bank USA
200 West Street, 16th Floor
New York, NY 10282
Attention: SBD Operations

With a copy to Collateral Agent's Legal Counsel:

Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, CA 94105-2669
Attention: Zachary S. Finley

or addressed as such party may from time to time designate by written notice to the other parties. For purposes of this Section 8, the term “**Business Day**” shall mean a day on which commercial banks are not authorized or required by law to close in either New York, New York or San Francisco, California.

Any party by notice to the others may designate additional or different addresses for subsequent notices or communications.

9. No Oral Change. This Agreement, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Collateral Agent, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

10. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Borrower and Collateral Agent and their respective successors and assigns forever.

11. Inapplicable Provisions. If any term, covenant or condition of this Agreement is held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision.

12. Headings, Etc. The headings and captions of various paragraphs of this Agreement are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

13. Duplicate Originals; Counterparts. This Agreement may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Agreement may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Agreement. The failure of any party hereto to execute this Agreement, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

14. Number and Gender. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

15. Attorneys’ Fees. In the event that any party hereto fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provision of this Agreement, the defaulting party or the non-prevailing party in such dispute, as the case may be, shall pay the prevailing party reasonable attorneys’ and experts’ fees and costs, and all court costs and other costs of action incurred by the prevailing party in connection with the prosecution or defense of such action and enforcing or establishing its rights hereunder (whether or not such action is prosecuted to a judgment).

16. Termination. At such time as either (a) the Obligations are paid in full, or (b) both (i) the Property is subdivided into separate legal parcels consisting of Redevelopment Block 4 and

the Remainder Parcels and (ii) Borrower provides (or causes to be provided) to Collateral Agent the Redevelopment Block 4 Mortgage and the other Redevelopment Block 4 Mortgage Deliverables, this Agreement and all of Collateral Agent's right, title and interest hereunder shall terminate ("**Termination**"). On or as soon as practicable following the date of Termination, Collateral Agent shall provide a document in form reasonably acceptable to each of Collateral Agent and Borrower to release the Property from this Agreement, which document Borrower may record in the Official Records of the City and County of San Francisco.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

[Signature page to follow]

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date and year first written above.

BORROWER:

TRANSBAY JOINT POWERS AUTHORITY,
a Joint Powers Agency

By: _____
Name: Maria Ayerdi-Kaplan
Its: Executive Director

APPROVED AS TO FORM:

By: _____
Deborah Miller
Shute, Mihaly & Weinberger LLP

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 2015, before me, _____, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

[SIGNATURES TO AGREEMENT NOT TO ENCUMBER OR TRANSFER PROPERTY
CONTINUED ON FOLLOWING PAGE]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

[SIGNATURE PAGE TO AGREEMENT NOT TO ENCUMBER OR TRANSFER
PROPERTY]

COLLATERAL AGENT:

GOLDMAN SACHS BANK USA, as Collateral
Agent

By: _____
Name: _____
Its: _____

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the ____ day of January in the year 2015 before me, the undersigned, personally appeared _____, _____ of Goldman Sachs Bank USA, personally known to me or proved to me on the basis of satisfactory evidence to me the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the Instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

Printed Name: _____

My Commission Expires: _____

(Official Seal)

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN IS SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL O

ALL THAT PARCEL OF LAND DESCRIBED AS "PARCEL NO 1" (STATE PARCEL NO. 395) AND CONVEYED TO THE STATE OF CALIFORNIA BY THE INDENTURE BETWEEN SOUTHERN PACIFIC COMPANY AND THE STATE OF CALIFORNIA, RECORDED OCTOBER 15, 1937, IN VOLUME 3210, PAGE 111, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO AND DESCRIBED THEREIN AS FOLLOWS:

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF BEALE STREET AND THE SOUTHEASTERLY LINE OF HOWARD STREET, RUNNING THENCE NORTHEASTERLY ALONG SAID LINE OF HOWARD STREET 137 FEET 6 INCHES; THENCE A RIGHT ANGLE SOUTHEASTERLY 15 FEET; THENCE SOUTHEASTERLY AND SOUTHERLY ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 321 FEET 6-3/8 INCHES, THROUGH AN ANGLE OF 48°26'37", A DISTANCE OF 271 FEET 10-1/4 INCHES TO A POINT ON THE NORTHEASTERLY LINE OF BEALE STREET, DISTANT THEREON 240 FEET 2 INCHES SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HOWARD STREET; THENCE NORTHWESTERLY ALONG SAID LINE OF BEALE STREET 240 FEET 2 INCHES TO THE POINT OF COMMENCEMENT.

BEING ALL OF BEACH AND WATER LOTS, NOS. 400 AND 401 AND PART OF BEACH AND WATER LOTS NOS. 402, 407, 412 AND 415 IN 100 VARA BLOCK NO. 331.

PARCEL O'

ALL THOSE PARCELS OF LAND (STATE PARCEL NO. 12875) CONVEYED TO THE STATE OF CALIFORNIA BY INSTRUMENT RECORDED APRIL 7, 1954, IN VOLUME 6353 AT PAGE 393, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, AND THAT PORTION OF THAT PARCEL OF LAND DESCRIBED AS "PARCEL 1" (STATE PARCEL NO. 12874) AND CONVEYED TO THE STATE OF CALIFORNIA BY THE INDENTURE BETWEEN SOUTHERN PACIFIC COMPANY AND THE STATE OF CALIFORNIA, RECORDED APRIL 10, 1956, IN VOLUME 6822, PAGE 127, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, LYING EASTERLY OF THE FOLLOWING DESCRIBED LINES:

BEGINNING AT A POINT ON THE SOUTHEASTERLY LINE OF HOWARD STREET, DISTANT THEREON NORTH 45°07'55" EAST 189.17 FEET FROM THE NORTHEASTERLY LINE OF BEALE STREET; THENCE FROM A TANGENT THAT BEARS SOUTH 40°59'58" EAST, ALONG A CURVE TO THE RIGHT WITH A RADIUS

OF 371.53 FEET, THROUGH AN ANGLE OF $56^{\circ}53'07''$, AN ARC DISTANCE OF 368.87 FEET TO A POINT ON SAID NORTHEASTERLY LINE OF BEALE STREET.

EXCEPTING THEREFROM THAT PARCEL OF LAND CONVEYED BY DEED (STATE PARCEL NO. 12874-DD) TO LEONARD E. KINGSLEY, ET AL, RECORDED NOVEMBER 25, 1959, IN VOLUME A-58 AT PAGE 858, OFFICIAL RECORDS OF SAID COUNTY AND DESCRIBED THEREIN AS FOLLOWS:

A PORTION OF THOSE CERTAIN TRACTS OF LAND CONVEYED TO THE STATE OF CALIFORNIA BY INDENTURE RECORDED APRIL 10, 1956 IN VOLUME 6822, PAGE 127 AND BY DEED RECORDED APRIL 7, 1954 IN VOLUME 6353, PAGE 393, BOTH OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTHEASTERLY LINE OF PARCEL 2 OF SAID STATE'S TRACT (6363 OR 393), SAID LINE BEING THE SOUTHWESTERLY LINE OF MAIN STREET, DISTANT THEREON S. $44^{\circ}52'05''$ E., 15.66 FEET FROM THE MOST NORTHERLY CORNER OF SAID PARCEL 2; THENCE S. $45^{\circ}07'55''$ W., 141.79 FEET; THENCE FROM A TANGENT THAT BEARS N. $6^{\circ}23'50''$ E., ALONG A CURVE TO THE LEFT WITH A RADIUS OF 917.00 FEET, THROUGH AN ANGLE OF $2^{\circ}59'30''$, AN ARC LENGTH OF 47.88 FEET TO A POINT OF COMPOUND CURVATURE; THENCE FROM A TANGENT THAT BEARS N. $3^{\circ}24'20''$ E., ALONG A CURVE TO THE LEFT WITH A RADIUS OF 392.00 FEET, THROUGH AN ANGLE OF $13^{\circ}13'31''$, AN ARC LENGTH OF 90.48 FEET TO THE PROPERTY LINE COMMON TO THE LANDS, NOW OR FORMERLY, OF THE STATE OF CALIFORNIA AND OF THE SOUTHERN PACIFIC COMPANY; THENCE ALONG SAID COMMON PROPERTY LINE: N. $20^{\circ}07'32''$ E., 9.26 FEET AND ALONG A TANGENT CURVE TO THE RIGHT WITH A RADIUS OF 40.00 FEET, THROUGH AN ANGLE OF $54^{\circ}52'58''$, AN ARC LENGTH OF 38.32 FEET TO THE NORTHEASTERLY LINE OF SAID STATE'S TRACT (6822 OR 127); THENCE ALONG LAST SAID NORTHEASTERLY LINE AND SAID NORTHEASTERLY LINE OF STATE'S TRACT (6353 OR 653), SAID NORTHEASTERLY LINES BEING THE SAID SOUTHWESTERLY LINE OF MAIN STREET, S. $44^{\circ}52'05''$ E., 100.72 FEET TO THE POINT OF COMMENCEMENT.

ALSO EXCEPTING THEREFROM THAT PARCEL OF LAND CONVEYED BY DEED (STATE PARCEL NO. 12875-DD) TO JOHN A. MOROSI, ET AL, RECORDED SEPTEMBER 23, 1959, IN VOLUME A-34 AT PAGE 578, OFFICIAL RECORDS OF SAID COUNTY AND DESCRIBED THEREIN AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTHEASTERLY LINE OF PARCEL 1 OF THAT CERTAIN TRACT OF LAND CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED APRIL 7, 1954 IN VOLUME 6353, PAGE 393, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, SAID NORTHEASTERLY LINE BEING THE SOUTHWESTERLY LINE OF MAIN STREET, DISTANT ALONG SAID NORTHEASTERLY LINE S. $44^{\circ}52'05''$ E., 81.00 FEET FROM THE MOST NORTHERLY CORNER OF SAID PARCEL 1; THENCE S. $45^{\circ}07'55''$ W., 86.72 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT WITH A RADIUS OF 158.00 FEET, THROUGH AN

ANGLE OF 25°36'05", AN ARC LENGTH OF 70.60 FEET; THENCE S. 44°52'05" E., 40.99 FEET TO THE SOUTHEASTERLY LINE OF SAID PARCEL 1; THENCE ALONG SAID SOUTHEASTERLY LINE, LAST SAID LINE BEING THE NORTHWESTERLY LINE OF FOLSOM STREET, N. 45°07'55" E., 155.00 FEET TO SAID NORTHEASTERLY LINE OF PARCEL 1; THENCE ALONG LAST SAID LINE N. 44°52'05" W., 56.50 FEET TO THE POINT OF COMMENCEMENT.

ALSO EXCEPTING THEREFROM THAT PARCEL OF LAND CONVEYED BY DEED (STATE PARCEL NO. 12875-DD-1) TO JOHN MOROSI, ET AL, RECORDED AUGUST 10, 1961, IN VOLUME A302 AT PAGE 320, OFFICIAL RECORDS OF SAID COUNTY AND DESCRIBED THEREIN AS FOLLOWS:

COMMENCING AT THE MOST SOUTHERLY CORNER OF THE PARCEL OF LAND DESCRIBED IN DIRECTOR'S DEED NO. 12875-DD TO JOHN A. MOROSI, ET AL, RECORDED SEPTEMBER 23, 1959 IN VOLUME A-34, PAGE 578, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL, N 44°52'05' W., 40.99 FEET TO THE MOST WESTERLY CORNER OF SAID PARCEL; THENCE S. 22°01'25" W., 21.75 FEET TO A LINE PARALLEL WITH AND DISTANT 20.00 FEET SOUTHWESTERLY, AT RIGHT ANGLES, FROM THE LINE DESCRIBED ABOVE WITH THE LENGTH OF 40.99 FEET; THENCE ALONG SAID PARALLEL LINE, S. 44°52'05" E., 32.45 FEET TO THE SOUTHEASTERLY LINE OF PARCEL 1 OF THE LANDS DESCRIBED IN DEED NO 12875 TO THE STATE OF CALIFORNIA, RECORDED APRIL 7, 1954 IN VOLUME 6353, PAGE 393, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO; THENCE ALONG SAID SOUTHEASTERLY LINE, WHICH IS ALSO THE NORTHWESTERLY LINE OF FOLSOM STREET, N 45°07'55" E., 20.00 FEET TO THE POINT OF COMMENCEMENT.

PARCEL O"

THAT PORTION OF THAT PARCEL OF LAND DESCRIBED AS "PARCEL 1" (STATE PARCEL NO. 12874) AND CONVEYED TO THE STATE OF CALIFORNIA BY THE INDENTURE BETWEEN SOUTHERN PACIFIC COMPANY AND THE STATE OF CALIFORNIA, RECORDED APRIL 10, 1956, IN VOLUME 6822, PAGE 127, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, INCLUDED WITHIN THE FOLLOWING DESCRIBED LINES:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF BEALE STREET AND THE SOUTHEASTERLY LINE OF HOWARD STREET; THENCE ALONG SAID SOUTHEASTERLY LINE OF HOWARD STREET, NORTH 46°07'55" EAST, 189.17 FEET; THENCE LEAVING SAID SOUTHEASTERLY LINE OF HOWARD STREET, FROM A TANGENT THAT BEARS SOUTH 40°59'58" EAST, ALONG A CURVE TO THE RIGHT WITH A RADIUS OF 371.53 FEET, THROUGH AN ANGLE OF 56°53'07", AN ARC DISTANCE OF 368.87 FEET TO A POINT ON SAID NORTHEASTERLY LINE OF BEALE STREET; THENCE ALONG SAID NORTHEASTERLY LINE OF BEALE STREET, NORTH 44°52'05" WEST, 299.10 FEET TO THE POINT OF BEGINNING.

EXHIBIT C
SUBORDINATION
(Deed of Trust)

See Attachment

RECORDING REQUESTED BY
AND WHEN RECORDED
MAIL TO:

Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, CA 94105
Attn: Zachary S. Finley, Esq.

Space Above for Recorder's Use Only

APN(s)/Parcel ID(s): Lot 015A, 016, and 031, Block 3721

**SUBORDINATION OF OPTION AGREEMENT
FOR THE PURCHASE AND SALE OF REAL PROPERTY**

by and among

TRANSBAY JOINT POWERS AUTHORITY
(Borrower)

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
(Agency)

and

GOLDMAN SACHS BANK USA, as Collateral Agent
(Collateral Agent)

**SUBORDINATION OF OPTION AGREEMENT
FOR THE PURCHASE AND SALE OF REAL PROPERTY**

THIS SUBORDINATION OF OPTION AGREEMENT FOR THE PURCHASE AND SALE OF REAL PROPERTY (this “**Subordination**”) is made as of the ____ day of January, 2015, by and among the TRANSBAY JOINT POWERS AUTHORITY, a joint powers authority created pursuant to an agreement among the City and County of San Francisco, the Alameda-Contra Costa Transit District and the Peninsula Corridor Joint Powers Board (Caltrain) and under the California Joint Exercise of Powers Act, codified at California Government Code Sections 6500 *et seq.* (“**Borrower**”), GOLDMAN SACHS BANK USA, as collateral agent on behalf the Secured Parties (as defined in the below-described Credit Agreement) (together with its successor and assigns in such capacity, “**Collateral Agent**”), and the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body corporate and politic of the State, established pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code Sections 33000 *et seq.*) (“**Agency**”).

RECITALS:

A. Pursuant to that certain Credit Agreement, dated as of the date hereof (as amended, restated, supplemented, extended or otherwise modified from time to time and as refinanced, refunded or replaced from time to time, the “**Credit Agreement**”), by and among Borrower, the financial institutions from time to time party thereto, as lenders (“**Lenders**”), and Goldman Sachs Bank USA, as Sole Lead Arranger, Sole Lead Bookrunner, Syndication Agent, Administrative Agent and Collateral Agent, Lenders have agreed to extend a senior secured term loan facility (the “**Term Facility**”) to Borrower in an aggregate principal amount of \$171,000,000.

B. Borrower’s Obligations (as defined in the Credit Agreement), including without limitation the repayment of certain loans made by Lenders under the Term Facility (“**Loans**”), are secured by, among other things, a Deed of Trust, Assignment of Leases and Rents and Security Agreement, dated as of the date hereof (the “**Instrument**”), which grants Collateral Agent, for the benefit of Secured Parties, a first lien on the property encumbered thereby and that is more particularly described on Exhibit A hereto (the “**Property**”). The Credit Agreement, the Instrument, this Subordination and all other Credit Documents (as defined in the Credit Agreement) are referred to collectively herein as the “**Documents**.”

C. Pursuant to that certain Collateral Agency Agreement, dated as of the date hereof (as amended, restated, supplemented, or otherwise modified from time to time, the “**Facility Collateral Agency Agreement**”), among Borrower, Collateral Agent and U.S. Bank National Association, in its capacity as depository and collateral agent thereunder (together with its successors and assigns in such capacity, “**Facility Collateral Agent**”), Facility Collateral Agent has established the Lockbox Account (as defined therein) and has agreed to receive into, hold in, and disburse from the Lockbox Account certain funds that secure the Obligations, including the Gross Sales Proceeds (as referenced in the below-described Option Agreement and as defined in the Cooperative Agreement) from the disposition of the Property.

D. Pursuant to certain affordable housing requirements (the “**Transbay Affordable Housing Obligation**”), as described in Section 5027.1 of the California Public Resources Code, the Redevelopment Plan for the Transbay Redevelopment Project Area approved by Ordinance No. 124-05, adopted by the Board of Supervisors of the City and County of San Francisco (“**City**”) on June 21, 2005 and Ordinance No. 99-06 adopted by the Board of Supervisors of the City on May 9, 2006 (the “**Redevelopment Plan**”), and that certain Transbay Redevelopment Project Implementation Agreement, dated as of January 20, 2005 (the “**Implementation Agreement**”), between the Borrower and the former

Redevelopment Agency of the City and County of San Francisco (“**Former Agency**”), Agency’s predecessor in interest, and finally and conclusively determined by the California Department of Finance to be an enforceable obligation under Redevelopment Dissolution Law, Part 1.85 (commencing with Section 34170) of the California Health and Safety Code (the “**Redevelopment Dissolution Law**”), the Project Area (as defined in the Redevelopment Plan) must be developed with a sufficient number of units of affordable housing necessary to achieve the Transbay Affordable Housing Obligation. Nothing in this Subordination shall affect this Transbay Affordable Housing Obligation with respect to the Property.

E. Pursuant to that certain Option Agreement for the Purchase and Sale of Real Property, dated as of January 31, 2008 (the “**Original Option Agreement**”), by and among the City (the “**City**”), Borrower and Former Agency, Agency holds an option to purchase the Property (the “**Option**”). Pursuant to that certain First Amendment to Option Agreement, by and among Agency, Borrower, and City, dated as of the date hereof (the “**Option Agreement Amendment**”; the Original Option Agreement, as amended by the Option Agreement Amendment, is referred to herein as the “**Option Agreement**”), the Agency and the City consented to this Subordination and related matters.

F. This Subordination permits the Agency to exercise the Option to the Property before the full satisfaction of the Loans on the terms specified below, which include a restriction on Agency exercising the Option for the Property except in connection with a disposition to a third party that generates Gross Sales Proceeds equal to or greater than the Lien Release Price (as defined in the Lien Release Price Letter Agreement referred to and defined in the Credit Agreement). Borrower and the Agency confirm that Borrower and the Agency have conducted their own due diligence to determine that it is reasonably likely that the third party sale of the Property, which would be subject to a requirement that the purchaser develop a number of affordable units required by the Agency in its efforts to achieve compliance with the Transbay Affordable Housing Obligation, would generate Gross Sales Proceeds that are no less than the Lien Release Price.

G. Lenders require as a condition to extending credit to Borrower under the Term Facility that Borrower and Agency subordinate the Option Agreement and Agency’s interest in the Option relative to the Property to the Instrument as set forth below.

AGREEMENT:

For good and valuable consideration the parties hereto agree as follows:

1. Subordination of Option Agreement and Option. The Option Agreement, the Option and all rights and privileges of Agency thereunder relative to the Property are hereby and shall at all times continue to be subject and unconditionally subordinate in all respects to the lien and payment and satisfaction of the Instrument, the Credit Agreement and the other Documents and any Obligations arising thereunder and to any renewals, extensions, modifications, assignments, replacements, or consolidations thereof and the rights, privileges, and powers of Collateral Agent and Secured Parties thereunder, subject to the terms of this Subordination; provided, however, that nothing in this Subordination shall be construed as preventing Agency from complying with or enforcing the Transbay Affordable Housing Obligation with respect to the Property. For the avoidance of doubt, pursuant to this Subordination, Agency is not subordinating any of its right and privileges under the Option Agreement, the Option, or otherwise relative to any real property other than the Property.

2. Termination. At such time as the Obligations are paid in full, this Subordination and all of Collateral Agent’s right, title and interest hereunder and the Instrument shall terminate (“**Termination**”). On or as soon as practicable following the date of Termination, Collateral Agent shall provide a document in form reasonably acceptable to each of Collateral Agent, Borrower and Agency to

release the Property from this Subordination and the Instrument, which document Borrower and/or Agency may record in the Official Records of the City and County of San Francisco.

3. Estoppel. Agency represents and warrants that (a) the Option Agreement is in full force and effect and, except as amended by the Option Agreement Amendment, has not been modified, amended or assigned, (b) neither Agency nor Borrower is in default under any of the terms, covenants or provisions of the Option Agreement, and Agency knows of no event which, but for the passage of time or the giving of notice or both, would constitute an event of default under the Option Agreement, (c) neither Agency nor Borrower has commenced any action or given or received any notice for the purpose of terminating the Option Agreement, (d) any and all sums due and payable to Agency under the Option Agreement, if any, have been paid in full, (e) Agency has the full legal right, power and authority to enter into this Subordination and to carry out and consummate all transactions contemplated hereby, (f) the execution, delivery and performance by Agency of this Subordination and the consummation by Agency of the transactions contemplated hereby (i) have been duly authorized by all necessary action on the part of Agency and (ii) do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any governmental authority, except as have been made, obtained, given or taken prior to the date of this Subordination, and (g) this Subordination has been duly executed and delivered by Agency and constitutes the legally valid and binding obligation of Agency, enforceable against Agency in accordance with its terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally, (ii) equitable principles relating to enforceability (regardless of whether enforceability is considered in equity or at law) or (iii) the exercise of judicial discretion and the limitations on legal remedies against government entities in the State of California.

4. Covenants of Borrower and Agency. Borrower and Agency each hereby covenant with Collateral Agent that during the term of this Subordination, except as set forth in Section 6 of this Subordination: (a) they shall not transfer or assign any right, title or interest or responsibility or liability under the Option Agreement with respect to the Property to any other person or entity without prior written notification to Collateral Agent and the prior written consent of Collateral Agent, which consent may be withheld by Collateral Agent in Collateral Agent's sole discretion; (b) without the prior consent of the Requisite Lenders (as defined in the Credit Agreement; such consent not to be unreasonably withheld), they shall not terminate or amend any terms or provisions of the Option Agreement with respect to the Property except as could not reasonably be expected to materially adversely affect the interests of the Lenders; and (c) they shall, in the manner provided for in this Subordination, give notice to Collateral Agent of any notice that either party receives with respect to the Option Agreement with respect to the Property.

5. Receipt of Payments and Fees. Collateral Agent, Borrower and Agency hereby agree that during the term of this Subordination, Borrower shall not be entitled to receive any fee, commission or other amount payable to Borrower by Agency under the Option Agreement for the Property, and that such amounts shall instead be paid directly to Facility Collateral Agent. Without limiting the foregoing, and notwithstanding anything to the contrary in the Option Agreement, the Cooperative Agreement (as defined in the Option Agreement) or the Implementation Agreement, if Agency is permitted under Section 6 of this Subordination to exercise the Option under the Option Agreement for the Property, then Agency and Borrower shall deliver (or cause to be delivered) to Facility Collateral Agent any and all Gross Sales Proceeds realized from the disposition of the Property, and any and all other amounts due and payable to Borrower (including any amounts required to be deposited into the Trust Account (as defined in the Cooperative Agreement)) under the Option Agreement for exercising the Option for the Property and from any disposition by Borrower or Agency of the Property. Any amounts paid to Facility Collateral Agent shall be held in, and disbursed from, the Lockbox Account by Facility Collateral Agent pursuant to the terms of the Facility Collateral Agency Agreement.

6. Exercise of Option. During the term of this Subordination, and so long as an Event of Default (as defined in the Credit Agreement) does not exist, Collateral Agent agrees to permit Agency to exercise the Option for the Property in accordance with the Option Agreement and the Transbay Affordable Housing Obligation provided that (a) Borrower or Agency has taken (or caused to be taken) such actions as may be necessary and reasonably acceptable to Collateral Agent to either (i) subdivide the Property into (A) a parcel with the airspace, surface, and/or subsurface of the Property needed for the construction, operation, maintenance, repair, and replacement of the then existing train box components of the Transbay Transit Center Project and any future train box components reasonably required at the Property to operate the Transbay Transit Center Project as a transit facility (the “**Train Box Components**”) and (B) a parcel with the remaining developable portion of the Property (such remaining developable portion of the Property the “**Parcel F Development Area**”), or (ii) permit the Borrower to retain an easement (“**Easement**”) in the portion of the Property (the “**Easement Area**”) needed for the construction, operation, maintenance, repair, and replacement of the Train Box Components, which Easement would prohibit any use of the remainder of the Property from interfering or damaging, or threatening to interfere or damage, the Train Box Components or Borrower’s use of the Easement Area pursuant to the Easement, (b) Agency delivers timely written notice as required by Section 9(b) hereof, (c) substantially contemporaneously with the exercise of the Option, Agency disposes of the Parcel F Development Area, or disposes of the Property subject to the Easement, to a third party in a transaction for which the Gross Sales Proceeds realized from such disposition shall be equal to or greater than the Lien Release Price for the Parcel F Development Area or the Property subject to the Easement, and (d) any sums due to Borrower or Agency under the Option Agreement for exercising the Option for the Property or from the disposition of the Property including Gross Sales Proceeds from such disposition shall be paid directly to Facility Collateral Agent as required by Section 5 hereof on the Closing Date (as defined in the Option Agreement) of such disposition. If any Event of Default exists or any of the conditions in clauses (a) through (d) are not satisfied, Agency may not exercise the Option with respect to the Property unless agreed to in writing by Collateral Agent in its sole discretion.

7. Release of Optioned Property. If (a) Agency exercises the Option for the Property and closes on the Option with respect to the Property in accordance with the terms of the Option Agreement and this Subordination and (b) the Gross Sales Proceeds for the Property are paid directly to Facility Collateral Agent for deposit in the Lockbox Account on the Closing Date for the disposition of the Property, Collateral Agent shall provide on the Closing Date for the disposition of the Property, a document in form reasonably acceptable to each of Collateral Agent, Borrower and Agency to release from this Subordination and the Instrument all or that portion of the Property transferred pursuant to the Option, which document Borrower and/or Agency may record in the Official Records of the City and County of San Francisco.

8. Affordable Housing. Agency’s consent to this Subordination is made with the following understandings and acknowledgements, which are consented to by Collateral Agent, for the benefit of Secured Parties: The Property is subject to the Transbay Affordable Housing Obligation, which applies to and passes with the Property, and applies to and binds the successors in interest of any owner of the Property; that the Property shall be held, transferred, sold and conveyed, subject to the conditions, restrictions, reservations and covenants set forth in the Transbay Redevelopment Project Area Declaration of Restrictions, recorded in the Official Records of the City and County of San Francisco on August 4, 2006 as Document No. 20061224839 (the “**Declaration of Restrictions**”), which includes the Transbay Affordable Housing Obligation. In the event of a foreclosure sale or a sale pursuant to any power of sale contained in or under the Instrument or any other mortgage, deed of trust, or other encumbrance upon the Property, the purchaser or purchasers and their successors and assigns, and the Property, shall continue to be subject to all of the conditions, restrictions and covenants provided in the Declaration of Restrictions; and, consistent with its enforceable obligations under the Redevelopment Dissolution Law, Agency retains full authority to determine the infrastructure, affordable housing, and open space requirements that

apply to any development on all or any portion of the Property to meet the Transbay Affordable Housing Obligation and implement the Redevelopment Plan.

9. Consent and Agreement by Agency. Agency hereby acknowledges and consents to this Subordination and agrees that Agency will act in conformity with the provisions of this Subordination and Collateral Agent's rights hereunder or otherwise related to the Option Agreement. Agency hereby agrees (a) not to contest or impede the exercise by Collateral Agent of any right it has under or in connection with this Subordination; and (b) that it shall, in the manner provided for in this Subordination, give at least thirty (30) days prior written notice to Collateral Agent of its intention to exercise the Option.

10. GOVERNING LAW. THIS SUBORDINATION AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF AND ANY DETERMINATIONS WITH RESPECT TO POST-JUDGMENT INTEREST) SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK; PROVIDED THAT WITH RESPECT TO THE MATTERS OF CAPACITY, POWER AND AUTHORITY OF BORROWER AND AGENCY, INCLUDING THE AGENCY'S RIGHTS UNDER SECTION 8 ABOVE, THE LAWS OF THE STATE OF CALIFORNIA SHALL GOVERN.

11. WAIVER OF JURY TRIAL. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS SUBORDINATION. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS SUBORDINATION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS SUBORDINATION, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 11 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO. IN THE EVENT OF LITIGATION, THIS SUBORDINATION. MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

12. Notices. All notices or other written communications hereunder shall be deemed to have been properly given (a) upon delivery, if delivered in person or by facsimile transmission with receipt acknowledged by the recipient thereof, (b) one (1) Business Day (hereinafter defined) after having been deposited for overnight delivery with any reputable overnight courier service, or (c) three (3) Business Days after having been deposited in any post office or mail depository regularly maintained by the U.S.

Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Borrower:

Transbay Joint Powers Authority
201 Mission Street, Suite 2100
San Francisco, CA 94105
Attention: Executive Director Maria Ayerdi-Kaplan

With a copy to Borrower's Legal Counsel:

Shute, Mihaly & Weinberger LLP
396 Hayes Street
San Francisco, CA 94102
Attention: Deborah Miller

If to Collateral Agent:

Goldman Sachs Bank USA
200 West Street, 16th Floor
New York, NY 10282
Attention: SBD Operations

With a copy to Collateral Agent's Legal Counsel:

Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, CA 94105-2669
Attention: Zachary S. Finley

If to Agency:

Successor Agency to the Redevelopment Agency of the City and County of San Francisco
One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attention: Tiffany Bohee, Executive Director

With a copy to:

Successor Agency to the Redevelopment Agency of the City and County of San Francisco
One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attention: James B. Morales, Interim General Counsel & Deputy Director

or addressed as such party may from time to time designate by written notice to the other parties. For purposes of this Section 12, the term “**Business Day**” shall mean a day on which commercial banks are not authorized or required by law to close in either New York, New York or San Francisco, California.

Any party by notice to the others may designate additional or different addresses for subsequent notices or communications.

13. No Oral Change. This Subordination, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower, Agency or Collateral Agent, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

14. Successors and Assigns. This Subordination shall be binding upon and inure to the benefit of Borrower, Agency and Collateral Agent and their respective successors and assigns forever.

15. Inapplicable Provisions. If any term, covenant or condition of this Subordination is held to be invalid, illegal or unenforceable in any respect, this Subordination shall be construed without such provision.

16. Headings, Etc. The headings and captions of various paragraphs of this Subordination are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

17. Duplicate Originals; Counterparts. This Subordination may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Subordination may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Subordination. The failure of any party hereto to execute this Subordination, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

18. Number and Gender. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

19. Attorneys' Fees. In the event that any party hereto fails to perform any of its obligations under this Subordination or in the event a dispute arises concerning the meaning or interpretation of any provision of this Subordination, the defaulting party or the non-prevailing party in such dispute, as the case may be, shall pay the prevailing party reasonable attorneys' and experts' fees and costs, and all court costs and other costs of action incurred by the prevailing party in connection with the prosecution or defense of such action and enforcing or establishing its rights hereunder (whether or not such action is prosecuted to a judgment).

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

[Signature page to follow]

IN WITNESS WHEREOF the undersigned have executed this Subordination as of the date and year first written above.

BORROWER:

TRANSBAY JOINT POWERS AUTHORITY,
a Joint Powers Agency

By: _____
Name: Maria Ayerdi Kaplan
Its: Executive Director

APPROVED AS TO FORM:

By: _____
Deborah Miller
Shute, Mihaly & Weinberger LLP

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 2015, before me, _____, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

[SIGNATURES TO SUBORDINATION OF OPTION AGREEMENT (PARCEL F)
CONTINUED ON FOLLOWING PAGE]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

[SIGNATURE PAGE TO SUBORDINATION OF OPTION AGREEMENT FOR THE PURCHASE
AND SALE OF REAL PROPERTY (PARCEL F)]

AGENCY:

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO**, a public body
corporate and politic

By: _____
Name: _____
Its: _____

A notary public or other officer completing this
certificate verifies only the identity of the
individual who signed the document to which this
certificate is attached, and not the truthfulness,
accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 2015, before me, _____, personally appeared
_____, who proved to me on the basis of satisfactory evidence to be the
person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

[SIGNATURE PAGE TO SUBORDINATION OF OPTION AGREEMENT FOR THE PURCHASE
AND SALE OF REAL PROPERTY (PARCEL F)]

COLLATERAL AGENT:

GOLDMAN SACHS BANK USA, as Collateral Agent

By: _____
Name: _____
Its: _____

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the ____ day of January in the year 2015 before me, the undersigned, personally appeared _____, _____ of Goldman Sachs Bank USA, personally known to me or proved to me on the basis of satisfactory evidence to me the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the Instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

Printed Name: _____

My Commission Expires: _____

(Official Seal)

**THE CITY AND COUNTY OF SAN FRANCISCO HEREBY
ACKNOWLEDGES THE FOREGOING SUBORDINATION
OF OPTION AGREEMENT (PARCEL F):**

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

By: _____
Name: John Updike
Its: Director of Property

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 2015, before me, _____, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

For APN/Parcel ID(s): Lot 015A, 016, and 031, Block 3721

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

TRACT A:

PARCEL ONE:

All that parcel of land (State Parcel No. 371) conveyed to the State of California by Instrument recorded August 3, 1937, in Volume 3153, Page 450, Official Records of the City and County of San Francisco and described therein as follows:

BEGINNING at a point on the Northwestern line of Howard Street, distant thereon 275 feet Northeasterly from the Northeasterly line of 2nd Street; and running thence Northeasterly along said line of Howard Street, 50 feet; thence at a right angle Northwesternly 85 feet; thence at a right angle Southwesterly 50 feet; and thence at a right angle Southeasterly 85 feet to the point of beginning.

BEING portion of 100 Vara Block No. 347.

PARCEL TWO:

All that parcel of land (State Parcel No. 372) conveyed to the State of California by Instrument recorded September 4, 1937, in Volume 3192, Page 151, Official Records of the City and County of San Francisco and described therein as follows:

COMMENCING at a point on the Southeasterly line of Natoma Street, distant thereon 423 feet Northeasterly from the Northeasterly line of 2nd Street; running thence Northeasterly along said line of Natoma Street, 90 feet; thence at a right angle Southeasterly 50 feet; thence at a right angle Southwesterly 90 feet; and thence at a right angle Northwesternly 50 feet to the point of commencement.

BEING a portion of 100 Vara Block No. 347.

PARCEL THREE:

All that parcel of land (State Parcel No. 502) described in the Instrument recorded September 3, 1937, in Volume 3195, Page 96, Official Records of the City and County of San Francisco and described therein as follows:

COMMENCING at a point on the Southeasterly line of Natoma Street, distant thereon 335 feet Northeasterly from the Northeasterly line of 2nd street; running thence Northeasterly and along

said line of Natoma Street, 88 feet; thence at a right angle Southeasterly 70 feet, 2 inches; thence at a right angle Southwesterly 25 feet; thence at a right angle Southeasterly 10 feet; thence at a right angle Southwesterly 11 feet, 6 inches; thence at a right angle Southeasterly 85 feet to a point on the Northwesterly line of Howard street, distant thereon 386 feet, 6 inches Northeasterly from the Northeasterly line of 2nd Street; thence Southwesterly along said line of Howard Street, 61 feet, 6 inches; thence at a right angle Northwesterly 85 feet; thence at a right angle Southwesterly 28 feet; thence at a right angle Northwesterly 2 inches; thence in a direct line, Northwesterly 88 feet, 6-3/4 inches to the point of commencement.

BEING part of 100 Vara Block No. 347.

Assessor's Parcel No. : Lot 015A, Block 3721

TRACT B:

BEGINNING at a point on the Northwesterly line of Howard Street, distant thereon 386 feet and 6 inches Northeasterly from the Northeasterly line of 2nd Street; running thence Northeasterly along said line of Howard Street 36 feet and 6 inches; thence at a right angle Northwesterly 95 feet, more or less, to a point perpendicularly distant 70 feet and 2 inches Southeasterly from the Southeasterly line of Natoma Street; thence Southwesterly parallel with said Southeasterly line of Natoma Street 25 feet; thence at a right angle Southeasterly 10 feet; thence at a right angle Southwesterly 11 feet and 6 inches; thence at a right angle Southeasterly 85 feet, more or less, to the point of beginning. BEING a portion of 100 Vara Block No. 347.

Assessor's Parcel No. : Lot 016, Block 3721

TRACT C:

BEGINNING at a point on the Southeasterly line of Natoma Street, distant thereon 255 feet Northeasterly from the Northeasterly line of 2nd Street; running thence Southeasterly parallel with said Northeasterly line of 2nd Street 65 feet, more or less, to a point perpendicularly distant 100 feet Northwesterly from the Northwesterly line of Howard Street; thence at a right angle Northeasterly parallel with said Northwesterly line of Howard Street 20 feet; thence at a right angle Southeasterly 15 feet to a point perpendicularly distant 85 feet Northwesterly from the Northwesterly line of Howard street; thence Northeasterly parallel with said Northwesterly line of Howard Street 22 feet; thence at a right angle Northwesterly 2 inches; thence Northwesterly 88 feet and 6-3/4 inches, more or less, to a point on the Southeasterly line of Natoma Street, distant thereon 335 feet Northeasterly from the Northeasterly line of 2nd street; thence Southwesterly along said Southeasterly line of Natoma Street 80 feet to the point of beginning.

BEING a portion of 100 Vara Block No. 347.

Assessor's Parcel No.: Lot 031, Block 3721

**EXHIBIT D
SUBORDINATION
(Negative Pledge)**

See Attachment

RECORDING REQUESTED BY
AND WHEN RECORDED
MAIL TO:

Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, CA 94105
Attn: Zachary S. Finley, Esq.

Space Above for Recorder's Use Only

APN(s)/Parcel ID(s): Lot 008, Block 3739

**SUBORDINATION OF OPTION AGREEMENT
FOR THE PURCHASE AND SALE OF REAL PROPERTY**

by and among

TRANSBAY JOINT POWERS AUTHORITY
(Borrower)

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
(Agency)

and

GOLDMAN SACHS BANK USA, as Collateral Agent
(Collateral Agent)

SUBORDINATION OF OPTION AGREEMENT
FOR THE PURCHASE AND SALE OF REAL PROPERTY

THIS SUBORDINATION OF OPTION AGREEMENT FOR THE PURCHASE AND SALE OF REAL PROPERTY (this “**Subordination**”) is made as of the ____ day of January, 2015, by and among the TRANSBAY JOINT POWERS AUTHORITY, a joint powers authority created pursuant to an agreement among the City and County of San Francisco, the Alameda-Contra Costa Transit District and the Peninsula Corridor Joint Powers Board (Caltrain) and under the California Joint Exercise of Powers Act, codified at California Government Code Sections 6500 *et seq.* (“**Borrower**”), GOLDMAN SACHS BANK USA, as collateral agent on behalf the Secured Parties (as defined in the below-described Credit Agreement) (together with its successor and assigns in such capacity, “**Collateral Agent**”), and the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body corporate and politic of the State, established pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code Sections 33000 *et seq.*) (“**Agency**”).

RECITALS:

A. Pursuant to that certain Credit Agreement, dated as of the date hereof (as amended, restated, supplemented, extended or otherwise modified from time to time and as refinanced, refunded or replaced from time to time, the “**Credit Agreement**”), by and among Borrower, the financial institutions from time to time party thereto, as lenders (“**Lenders**”), and Goldman Sachs Bank USA, as Sole Lead Arranger, Sole Lead Bookrunner, Syndication Agent, Administrative Agent and Collateral Agent, Lenders have agreed to extend a senior secured term loan facility (the “**Term Facility**”) to Borrower in an aggregate principal amount of \$171,000,000.

B. Borrower’s Obligations (as defined in the Credit Agreement), including without limitation the repayment of certain loans made by Lenders under the Term Facility (“**Loans**”), are secured by, among other things, a pledge by Borrower of the Gross Sales Proceeds (as referenced in the below-described Option Agreement and as defined in the Cooperative Agreement) from the disposition of a portion of that certain real property more particularly described on Exhibit A hereto (the “**Property**”), and to preserve and protect such pledge of such Gross Sales Proceeds, Borrower has entered into that certain Agreement Not to Encumber or Transfer Property, dated as of the date hereof (the “**Instrument**”), which for the benefit of Collateral Agent and the Secured Parties restricts certain rights of Borrower relative to the Property. The Credit Agreement, the Instrument, this Subordination and all other Credit Documents (as defined in the Credit Agreement) are referred to collectively herein as the “**Documents**.”

C. Pursuant to that certain Collateral Agency Agreement, dated as of the date hereof (as amended, restated, supplemented, or otherwise modified from time to time, the “**Facility Collateral Agency Agreement**”), among Borrower, Collateral Agent and U.S. Bank National Association, in its capacity as depository and collateral agent thereunder (together with its successors and assigns in such capacity, “**Facility Collateral Agent**”), Facility Collateral Agent has established the Lockbox Account (as defined therein) and has agreed to receive into, hold in, and disburse from the Lockbox Account certain funds that secure the Obligations, including the Gross Sales Proceeds from the disposition of the portion of the Property defined as “Redevelopment Block 4” below.

D. Pursuant to certain affordable housing requirements (the “**Transbay Affordable Housing Obligation**”), as described in Section 5027.1 of the California Public Resources Code, the Redevelopment Plan for the Transbay Redevelopment Project Area, approved by Ordinance No. 124-05, adopted by the Board of Supervisors of the City and County of San Francisco (“**City**”) on June 21, 2005 and Ordinance No. 99-06 adopted by the Board of Supervisors of the City on May 9, 2006 (the

“**Redevelopment Plan**”), and that certain Transbay Redevelopment Project Implementation Agreement, dated as of January 20, 2005 (the “**Implementation Agreement**”) between the Borrower and the former Redevelopment Agency of the City and County of San Francisco (“**Former Agency**”), Agency’s predecessor in interest, and finally and conclusively determined by the California Department of Finance to be an enforceable obligation under Redevelopment Dissolution Law, Part 1.85 (commencing with Section 34170) of the California Health and Safety Code (the “**Redevelopment Dissolution Law**”), the Project Area (as defined in the Redevelopment Plan) must be developed with a sufficient number of units of affordable housing necessary to achieve the Transbay Affordable Housing Obligation.

E. The Agency’s current development plans for the Property pursuant to the Redevelopment Plan call for the development of affordable and market rate housing on the approximate northern one-third portion of the Property generally depicted as “Block 4” on Exhibit 4 to the Redevelopment Plan (“**Redevelopment Block 4**”), with the remainder of the Property (the “**Remainder Parcels**”) to be developed with public rights of way, a park, and affordable housing. Based on current projections of the housing units to be built within the Project Area, assuming Redevelopment Block 4’s projected capacity of 550 units total, up to 45% of those units, or 248 units, would need to be affordable units to achieve compliance with the Transbay Affordable Housing Obligation. Nothing in this Subordination shall affect this Transbay Affordable Housing Obligation with respect to the Property.

F. Pursuant to that certain Option Agreement for the Purchase and Sale of Real Property, dated as of January 31, 2008 (the “**Original Option Agreement**”), by and among the City, Borrower, and Former Agency, Agency holds an option to purchase the Property (the “**Option**”). Pursuant to that certain First Amendment to Option Agreement by and among Borrower, Agency, and City, dated as of the date hereof (the “**Option Agreement Amendment**”; the Original Option Agreement, as amended by the Option Agreement Amendment, is referred to herein as the “**Option Agreement**”), the City and the Agency consented to this Subordination and related matters.

G. This Subordination permits the Agency to exercise the Option to the Property before the full satisfaction of the Loans on the terms specified below, which include a restriction on Agency exercising the Option for Redevelopment Block 4 except in connection with a disposition to a third party that generates Gross Sales Proceeds equal to or greater than the Lien Release Price (as defined in the Lien Release Price Letter Agreement referred to and defined in the Credit Agreement). Borrower and the Agency confirm that Borrower and the Agency have conducted their own due diligence to determine that it is reasonably likely that the third party sale of Redevelopment Block 4, which would be subject to a requirement that the purchaser develop a number of affordable units required by the Agency in its efforts to achieve compliance with the Transbay Affordable Housing Obligation, would generate Gross Sales Proceeds that are no less than the Lien Release Price.

H. Lenders require as a condition to extending credit to Borrower under the Term Facility that Borrower and Agency subordinate the Option Agreement, and Agency’s interest in the Option relative to the Property to the Instrument as set forth below.

AGREEMENT:

For good and valuable consideration the parties hereto agree as follows:

1. Subordination of Option Agreement and Option. The Option Agreement, the Option and all rights and privileges of Agency thereunder relative to the Property are hereby and shall at all times continue to be subject and unconditionally subordinate in all respects to the lien and payment and satisfaction of the Instrument, the Credit Agreement and the other Documents and any Obligations arising thereunder and to any renewals, extensions, modifications, assignments, replacements, or consolidations

thereof and the rights, privileges, and powers of Collateral Agent and Secured Parties thereunder, subject to the terms of this Subordination; provided, however, that nothing in this Subordination shall be construed as preventing Agency from complying with or enforcing the Transbay Affordable Housing Obligation with respect to the Property. For the avoidance of doubt, pursuant to this Subordination, Agency is not subordinating any of its right and privileges under the Option Agreement, the Option, or otherwise relative to any real property other than the Property.

2. Termination. If the Obligations are paid in full without any enforcement of a Redevelopment Block 4 Mortgage (as defined in Section 6 below), then this Subordination, all of Collateral Agent's right, title and interest hereunder and the Instrument shall terminate at the time the Obligations are paid in full (the "**Full Termination**"). On or as soon as practicable following the date of the Full Termination, Collateral Agent shall provide a document in form reasonably acceptable to each of Collateral Agent, Borrower and Agency to release the Property from this Subordination and the Instrument, which document Borrower and/or Agency may record in the Official Records of the City and County of San Francisco.

If the Property is subdivided into separate legal parcels consisting of Redevelopment Block 4 and the Remainder Parcels before the Obligations are paid in full, and Borrower provides (or causes to be provided) to Collateral Agent a Redevelopment Block 4 Mortgage and the other Redevelopment Block 4 Mortgage Deliverables (as defined in Section 6 below), then (a) this Subordination, all of Collateral Agent's right, title and interest hereunder, and the Instrument shall terminate as to the Remainder Parcels, and (b) all of Collateral Agent's right, title and interest under this Subordination and the Instrument shall terminate as to Redevelopment Block 4 (the "**Partial Termination**"). On or as soon as practicable following the date of the Partial Termination, Collateral Agent shall provide a document in form reasonably acceptable to each of Collateral Agent, Borrower and Agency to release the Remainder Parcels from this Subordination and the Instrument and to release Redevelopment Block 4 from the Instrument, which document Borrower and/or Agency may record in the Official Records of the City and County of San Francisco.

If there is a Partial Termination, this Subordination shall remain in effect as follows as to Redevelopment Block 4: (A) the affordable housing rights of Agency specified in Section 8 of this Subordination shall remain in full force and effect, encumber, and run with the land as to Redevelopment Block 4, (B) Agency shall continue to have the right to require any owner of Redevelopment Block 4 to comply with the matters set forth in Section 8, including any party that acquires Redevelopment Block 4 through enforcement of the Redevelopment Block 4 Mortgage, and (C) Agency shall have the sole discretion to terminate the continuation of this Subordination as an encumbrance on Redevelopment Block 4 by recording a written document with such termination in the Official Records of San Francisco.

3. Estoppel. Agency represents and warrants that (a) the Option Agreement is in full force and effect and, except as amended by the Option Agreement Amendment, has not been modified, amended or assigned, (b) neither Agency nor Borrower is in default under any of the terms, covenants or provisions of the Option Agreement and Agency knows of no event which, but for the passage of time or the giving of notice or both, would constitute an event of default under the Option Agreement, (c) neither Agency nor Borrower has commenced any action or given or received any notice for the purpose of terminating the Option Agreement, (d) any and all sums due and payable to Agency under the Option Agreement, if any, have been paid in full, (e) Agency has the full legal right, power and authority to enter into this Subordination and to carry out and consummate all transactions contemplated hereby, (f) the execution, delivery and performance by Agency of this Subordination and the consummation by Agency of the transactions contemplated hereby (i) have been duly authorized by all necessary action on the part of Agency and (ii) do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any governmental authority, except as have been made, obtained, given or

taken prior to the date of this Subordination, and (g) this Subordination has been duly executed and delivered by Agency and constitutes the legally valid and binding obligation of Agency, enforceable against Agency in accordance with its terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally, (ii) equitable principles relating to enforceability (regardless of whether enforceability is considered in equity or at law) or (iii) the exercise of judicial discretion and the limitations on legal remedies against government entities in the State of California.

4. Covenants of Borrower and Agency. Borrower and Agency each hereby covenant with Collateral Agent that during the term of this Subordination, except as set forth in Section 6 of this Subordination: (a) they shall not transfer or assign any right, title or interest or responsibility or liability under the Option Agreement with respect to Redevelopment Block 4 to any other person or entity without prior written notification to Collateral Agent and the prior written consent of Collateral Agent, which consent may be withheld by Collateral Agent in Collateral Agent's sole discretion; (b) without the prior consent of the Requisite Lenders (as defined in the Credit Agreement; such consent not to be unreasonably withheld), they shall not terminate or amend any terms or provisions of the Option Agreement with respect to Redevelopment Block 4 except as could not reasonably be expected to materially adversely affect the interests of the Lenders; and (c) they shall, in the manner provided for in this Subordination, give notice to Collateral Agent of any notice that either party receives with respect to the Option Agreement with respect to the Property.

5. Receipt of Payments and Fees. Collateral Agent, Borrower and Agency hereby agree that during the term of this Subordination, Borrower shall not be entitled to receive any fee, commission or other amount payable to Borrower by Agency under the Option Agreement for Redevelopment Block 4, and that such amounts shall instead be paid directly to Facility Collateral Agent. Without limiting the foregoing, and notwithstanding anything to the contrary in the Option Agreement, the Cooperative Agreement (as defined in the Option Agreement) or the Implementation Agreement, if Agency is permitted under Section 6 of this Subordination to exercise the Option under the Option Agreement for Redevelopment Block 4, then Agency and Borrower shall deliver (or cause to be delivered) to Facility Collateral Agent any and all Gross Sales Proceeds realized from the disposition of Redevelopment Block 4, and any and all other amounts due and payable to Borrower (including any amounts previously required to be deposited into the Trust Account (as defined in the Cooperative Agreement)) under the Option Agreement for exercising the Option for Redevelopment Block 4 and from any disposition by Borrower or Agency of Redevelopment Block 4. Any amount paid to Facility Collateral Agent from the disposition of Redevelopment Block 4 shall be held in, and disbursed from, the Lockbox Account by Facility Collateral Agent pursuant to the terms of the Facility Collateral Agency Agreement. If Agency is permitted under Section 6 of this Subordination to exercise the Option under the Option Agreement for the Remainder Parcels, or any portion thereof, Borrower shall deliver (or cause to be delivered) any and all Gross Sales Proceeds realized from such disposition of the Remainder Parcels into the Trust Account.

6. Exercise of Option.

(a) Redevelopment Block 4. During the term of this Subordination, and so long as an Event of Default (as defined in the Credit Agreement) does not exist, Collateral Agent agrees to permit Agency to exercise the Option for Redevelopment Block 4 in accordance with the Option Agreement and the Transbay Affordable Housing Obligation and to permit Borrower to transfer Redevelopment Block 4 to Agency in connection with such exercise of the Option, provided that (a) Borrower or Agency has taken (or caused to be taken) such actions as may be necessary to create Redevelopment Block 4 as a separate legal parcel, (b) Agency delivers timely written notice as required by Section 9(b) hereof, (c) substantially contemporaneously with the exercise of the Option for Redevelopment Block 4, Agency disposes of Redevelopment Block 4 to a third party in a transaction for which the Gross Sales Proceeds

realized from such disposition shall be equal to or greater than the Lien Release Price for Redevelopment Block 4, and (d) any sums due to Borrower or Agency under the Option Agreement for exercising the Option for Redevelopment Block 4, or from the disposition of Redevelopment Block 4, including Gross Sales Proceeds from such disposition, shall be paid directly to Facility Collateral Agent as required by Section 5 hereof on the Closing Date (as defined in the Option Agreement) for the disposition of Redevelopment Block 4. If any Event of Default exists or any of the conditions in clauses (a) through (d) are not satisfied, Agency may not exercise the Option with respect to Redevelopment Block 4 unless agreed to in writing by Collateral Agent in its sole discretion.

(b) Remainder Parcels. Agency shall further have the right to exercise the Option for the Remainder Parcels, and Borrower shall have the right to transfer the Remainder Parcels to Agency, at any time, even if there is an Event of Default under the Documents, so long as prior to such transfer of either of the Remainder Parcels, (i) Borrower or Agency shall have taken (or caused to be taken) such actions as may be necessary to create the Remainder Parcels as separate legal parcels and (ii) Borrower shall provide Collateral Agent, as security for the Obligations, a First Priority Mortgage (as referenced in the Credit Agreement) on Redevelopment Block 4 (the “**Redevelopment Block 4 Mortgage**”) and such title insurance policies, opinions and other deliverables with respect to such Mortgage as may be reasonably requested by Collateral Agent (including a subordination by the Agency of the Option for Redevelopment Block 4 to such First Priority Mortgage, which subordination shall be substantially in the form of this Subordination, excluding the references with respect to the Remainder Parcels), as described in Section 5.17 of the Credit Agreement (collectively, the “**Redevelopment Block 4 Mortgage Deliverables**”). Such First Priority Mortgage on Redevelopment Block 4 shall be subject to the matters set forth in Section 8 below.

7. Release of Optioned Property. If (a) Agency exercises the Option for Redevelopment Block 4, and closes on the Option for Redevelopment Block 4 in accordance with the terms of the Option Agreement and this Subordination and (b) all Gross Sales Proceeds for Redevelopment Block 4 are paid directly to Facility Collateral Agent for deposit in the Lockbox Account on the Closing Date for the disposition of Redevelopment Block 4, Collateral Agent shall provide on the Closing Date for the disposition of Redevelopment Block 4, a document in form reasonably acceptable to each of Collateral Agent, Borrower and Agency to release from this Subordination and the Instrument all or that portion of Redevelopment Block 4 transferred pursuant to the Option, which document Borrower and/or Agency may record in the Official Records of the City and County of San Francisco.

8. Affordable Housing. Agency’s consent to this Subordination is made with the following understandings and acknowledgements, which are consented to by Collateral Agent, for the benefit of Secured Parties, and shall bind any party (including its successors and assigns) that acquires Redevelopment Block 4 through the enforcement of any Redevelopment Block 4 Mortgage on Redevelopment Parcel 4: The Property is subject to the Transbay Affordable Housing Obligation, which applies to and passes with the Property, and applies to and binds the successors in interest of any owner of the Property; that the Property shall be held, transferred, sold and conveyed, subject to the conditions, restrictions, reservations and covenants set forth in the Transbay Redevelopment Project Area Declaration of Restrictions, recorded in the Official Records of the City and County of San Francisco on August 4, 2006 as Document No. 2006I224839 (the “**Declaration of Restrictions**”), which includes the Transbay Affordable Housing Obligation. In the event of any foreclosure, sale or transfer of the Property, the acquirer, purchaser, acquirers or purchasers and their successors and assigns, and the Property, shall continue to be subject to all of the conditions, restrictions and covenants provided in the Declaration of Restrictions; and, consistent with its enforceable obligations under the Redevelopment Dissolution Law, Agency shall have full authority to determine the infrastructure, affordable housing, and open space requirements that apply to any development on all or any portion of the Property to meet the Transbay Affordable Housing Obligation and implement the Redevelopment Plan, including any requirement that

there be a level of affordable housing on Redevelopment Block 4 that is higher than the minimum levels established for private developments in the Redevelopment Plan, and the requirement for the parcelization and assembly of land into block and lots that are suitable for development, as described in the Development Controls and Design Guidelines (as defined in the Redevelopment Plan).

9. Consent and Agreement by Agency. Agency hereby acknowledges and consents to this Subordination and agrees that Agency will act in conformity with the provisions of this Subordination and Collateral Agent's rights hereunder or otherwise related to the Option Agreement. Agency hereby agrees (a) not to contest or impede the exercise by Collateral Agent of any right it has under or in connection with this Subordination; and (b) that it shall, in the manner provided for in this Subordination, give at least thirty (30) days prior written notice to Collateral Agent of its intention to exercise the Option.

10. GOVERNING LAW. THIS SUBORDINATION AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF AND ANY DETERMINATIONS WITH RESPECT TO POST-JUDGMENT INTEREST) SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK; PROVIDED THAT WITH RESPECT TO THE MATTERS OF CAPACITY, POWER AND AUTHORITY OF BORROWER AND AGENCY, INCLUDING THE AGENCY'S RIGHTS UNDER SECTION 8 ABOVE, THE LAWS OF THE STATE OF CALIFORNIA SHALL GOVERN.

11. WAIVER OF JURY TRIAL. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS SUBORDINATION. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS SUBORDINATION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS SUBORDINATION, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 11 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO. IN THE EVENT OF LITIGATION, THIS SUBORDINATION. MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

12. Notices. All notices or other written communications hereunder shall be deemed to have been properly given (a) upon delivery, if delivered in person or by facsimile transmission with receipt acknowledged by the recipient thereof, (b) one (1) Business Day (hereinafter defined) after having been deposited for overnight delivery with any reputable overnight courier service, or (c) three (3) Business

Days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Borrower:

Transbay Joint Powers Authority
201 Mission Street, Suite 2100
San Francisco, CA 94105
Attn: Executive Director Maria Ayerdi-Kaplan

With a copy to Borrower's Legal Counsel:

Shute, Mihaly & Weinberger LLP
396 Hayes Street
San Francisco, CA 94102
Attention: Deborah Miller

If to Collateral Agent:

Goldman Sachs Bank USA
200 West Street, 16th Floor
New York, NY 10282
Attention: SBD Operations

With a copy to Collateral Agent's Legal Counsel:

Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, CA 94105-2669
Attention: Zachary S. Finley

If to Agency:

Successor Agency to the Redevelopment Agency of the City and County of San Francisco
One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attention: Tiffany Bohee, Executive Director

With a copy to:

Successor Agency to the Redevelopment Agency of the City and County of San Francisco
One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attention: James B. Morales, Interim General Counsel & Deputy Director

or addressed as such party may from time to time designate by written notice to the other parties. For purposes of this Section 12, the term “**Business Day**” shall mean a day on which commercial banks are not authorized or required by law to close in either New York, New York or San Francisco, California.

Any party by notice to the others may designate additional or different addresses for subsequent notices or communications.

13. No Oral Change. This Subordination, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower, Agency or Collateral Agent, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

14. Successors and Assigns. This Subordination shall be binding upon and inure to the benefit of Borrower, Agency and Collateral Agent and their respective successors and assigns forever.

15. Inapplicable Provisions. If any term, covenant or condition of this Subordination is held to be invalid, illegal or unenforceable in any respect, this Subordination shall be construed without such provision.

16. Headings, Etc. The headings and captions of various paragraphs of this Subordination are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

17. Duplicate Originals; Counterparts. This Subordination may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Subordination may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Subordination. The failure of any party hereto to execute this Subordination, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

18. Number and Gender. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

19. Attorneys' Fees. In the event that any party hereto fails to perform any of its obligations under this Subordination or in the event a dispute arises concerning the meaning or interpretation of any provision of this Subordination, the defaulting party or the non-prevailing party in such dispute, as the case may be, shall pay the prevailing party reasonable attorneys' and experts' fees and costs, and all court costs and other costs of action incurred by the prevailing party in connection with the prosecution or defense of such action and enforcing or establishing its rights hereunder (whether or not such action is prosecuted to a judgment).

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

[Signature page to follow]

IN WITNESS WHEREOF the undersigned have executed this Subordination as of the date and year first written above.

BORROWER:

TRANSBAY JOINT POWERS AUTHORITY,
a Joint Powers Agency

By: _____
Name: Maria Ayerdi-Kaplan
Its: Executive Director

APPROVED AS TO FORM:

By: _____
Deborah Miller
Shute, Mihaly & Weinberger LLP

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 2015, before me, _____, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

[SIGNATURES TO SUBORDINATION OF OPTION AGREEMENT (PARCELS O, O', O'')
CONTINUED ON FOLLOWING PAGE]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

[SIGNATURE PAGE TO SUBORDINATION OF OPTION AGREEMENT FOR THE PURCHASE
AND SALE OF REAL PROPERTY (PARCELS O, O', O'')]

AGENCY:

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO**, a public body
corporate and politic

By: _____
Name: _____
Its: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 2015, before me, _____, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

[SIGNATURE PAGE TO SUBORDINATION OF OPTION AGREEMENT FOR THE PURCHASE
AND SALE OF REAL PROPERTY(PARCELS O, O', O'')]

COLLATERAL AGENT:

GOLDMAN SACHS BANK USA, as Collateral Agent

By: _____
Name: _____
Its: _____

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the ____ day of January in the year 2015 before me, the undersigned, personally appeared _____, _____ of Goldman Sachs Bank USA, personally known to me or proved to me on the basis of satisfactory evidence to me the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the Instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

Printed Name: _____

My Commission Expires: _____

(Official Seal)

**THE CITY AND COUNTY OF SAN FRANCISCO HEREBY
ACKNOWLEDGES THE FOREGOING SUBORDINATION
OF OPTION AGREEMENT (PARCELS O, O', O''):**

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

By: _____
Name: John Updike
Its: Director of Property

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 2015, before me, _____, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN IS SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL O

ALL THAT PARCEL OF LAND DESCRIBED AS "PARCEL NO 1" (STATE PARCEL NO. 395) AND CONVEYED TO THE STATE OF CALIFORNIA BY THE INDENTURE BETWEEN SOUTHERN PACIFIC COMPANY AND THE STATE OF CALIFORNIA, RECORDED OCTOBER 15, 1937, IN VOLUME 3210, PAGE 111, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO AND DESCRIBED THEREIN AS FOLLOWS:

COMMENCING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF BEALE STREET AND THE SOUTHEASTERLY LINE OF HOWARD STREET, RUNNING THENCE NORTHEASTERLY ALONG SAID LINE OF HOWARD STREET 137 FEET 6 INCHES; THENCE A RIGHT ANGLE SOUTHEASTERLY 15 FEET; THENCE SOUTHEASTERLY AND SOUTHERLY ALONG A CURVE TO THE RIGHT, HAVING A RADIUS OF 321 FEET 6-3/8 INCHES, THROUGH AN ANGLE OF 48°26'37", A DISTANCE OF 271 FEET 10-1/4 INCHES TO A POINT ON THE NORTHEASTERLY LINE OF BEALE STREET, DISTANT THEREON 240 FEET 2 INCHES SOUTHEASTERLY FROM THE SOUTHEASTERLY LINE OF HOWARD STREET; THENCE NORTHWESTERLY ALONG SAID LINE OF BEALE STREET 240 FEET 2 INCHES TO THE POINT OF COMMENCEMENT.

BEING ALL OF BEACH AND WATER LOTS, NOS. 400 AND 401 AND PART OF BEACH AND WATER LOTS NOS. 402, 407, 412 AND 415 IN 100 VARA BLOCK NO. 331.

PARCEL O'

ALL THOSE PARCELS OF LAND (STATE PARCEL NO. 12875) CONVEYED TO THE STATE OF CALIFORNIA BY INSTRUMENT RECORDED APRIL 7, 1954, IN VOLUME 6353 AT PAGE 393, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, AND THAT PORTION OF THAT PARCEL OF LAND DESCRIBED AS "PARCEL 1" (STATE PARCEL NO. 12874) AND CONVEYED TO THE STATE OF CALIFORNIA BY THE INDENTURE BETWEEN SOUTHERN PACIFIC COMPANY AND THE STATE OF CALIFORNIA, RECORDED APRIL 10, 1956, IN VOLUME 6822, PAGE 127, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, LYING EASTERLY OF THE FOLLOWING DESCRIBED LINES:

BEGINNING AT A POINT ON THE SOUTHEASTERLY LINE OF HOWARD STREET, DISTANT THEREON NORTH 45°07'55" EAST 189.17 FEET FROM THE NORTHEASTERLY LINE OF BEALE STREET; THENCE FROM A TANGENT THAT BEARS SOUTH 40°59'58" EAST, ALONG A CURVE TO THE RIGHT WITH A RADIUS OF 371.53 FEET, THROUGH AN ANGLE OF 56°53'07", AN ARC DISTANCE OF 368.87 FEET TO A POINT ON SAID NORTHEASTERLY LINE OF BEALE STREET.

EXCEPTING THEREFROM THAT PARCEL OF LAND CONVEYED BY DEED (STATE PARCEL NO. 12874-DD) TO LEONARD E. KINGSLEY, ET AL, RECORDED NOVEMBER 25, 1959, IN

VOLUME A-58 AT PAGE 858, OFFICIAL RECORDS OF SAID COUNTY AND DESCRIBED THEREIN AS FOLLOWS:

A PORTION OF THOSE CERTAIN TRACTS OF LAND CONVEYED TO THE STATE OF CALIFORNIA BY INDENTURE RECORDED APRIL 10, 1956 IN VOLUME 6822, PAGE 127 AND BY DEED RECORDED APRIL 7, 1954 IN VOLUME 6353, PAGE 393, BOTH OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTHEASTERLY LINE OF PARCEL 2 OF SAID STATE'S TRACT (6363 OR 393), SAID LINE BEING THE SOUTHWESTERLY LINE OF MAIN STREET, DISTANT THEREON S. 44°52'05" E., 15.66 FEET FROM THE MOST NORTHERLY CORNER OF SAID PARCEL 2; THENCE S. 45°07'55" W., 141.79 FEET; THENCE FROM A TANGENT THAT BEARS N. 6°23'50" E., ALONG A CURVE TO THE LEFT WITH A RADIUS OF 917.00 FEET, THROUGH AN ANGLE OF 2°59'30", AN ARC LENGTH OF 47.88 FEET TO A POINT OF COMPOUND CURVATURE; THENCE FROM A TANGENT THAT BEARS N. 3°24'20" E., ALONG A CURVE TO THE LEFT WITH A RADIUS OF 392.00 FEET, THROUGH AN ANGLE OF 13°13'31", AN ARC LENGTH OF 90.48 FEET TO THE PROPERTY LINE COMMON TO THE LANDS, NOW OR FORMERLY, OF THE STATE OF CALIFORNIA AND OF THE SOUTHERN PACIFIC COMPANY; THENCE ALONG SAID COMMON PROPERTY LINE: N. 20°07'32" E., 9.26 FEET AND ALONG A TANGENT CURVE TO THE RIGHT WITH A RADIUS OF 40.00 FEET, THROUGH AN ANGLE OF 54°52'58", AN ARC LENGTH OF 38.32 FEET TO THE NORTHEASTERLY LINE OF SAID STATE'S TRACT (6822 OR 127); THENCE ALONG LAST SAID NORTHEASTERLY LINE AND SAID NORTHEASTERLY LINE OF STATE'S TRACT (6353 OR 653), SAID NORTHEASTERLY LINES BEING THE SAID SOUTHWESTERLY LINE OF MAIN STREET, S. 44°52'05" E., 100.72 FEET TO THE POINT OF COMMENCEMENT.

ALSO EXCEPTING THEREFROM THAT PARCEL OF LAND CONVEYED BY DEED (STATE PARCEL NO. 12875-DD) TO JOHN A. MOROSI, ET AL, RECORDED SEPTEMBER 23, 1959, IN VOLUME A-34 AT PAGE 578, OFFICIAL RECORDS OF SAID COUNTY AND DESCRIBED THEREIN AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTHEASTERLY LINE OF PARCEL 1 OF THAT CERTAIN TRACT OF LAND CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED APRIL 7, 1954 IN VOLUME 6353, PAGE 393, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, SAID NORTHEASTERLY LINE BEING THE SOUTHWESTERLY LINE OF MAIN STREET, DISTANT ALONG SAID NORTHEASTERLY LINE S. 44°52'05" E., 81.00 FEET FROM THE MOST NORTHERLY CORNER OF SAID PARCEL 1; THENCE S. 45°07'55" W., 86.72 FEET; THENCE ALONG A TANGENT CURVE TO THE LEFT WITH A RADIUS OF 158.00 FEET, THROUGH AN ANGLE OF 25°36'05", AN ARC LENGTH OF 70.60 FEET; THENCE S. 44°52'05" E., 40.99 FEET TO THE SOUTHEASTERLY LINE OF SAID PARCEL 1; THENCE ALONG SAID SOUTHEASTERLY LINE, LAST SAID LINE BEING THE NORTHWESTERLY LINE OF FOLSOM STREET, N. 45°07'55" E., 155.00 FEET TO SAID NORTHEASTERLY LINE OF PARCEL 1; THENCE ALONG LAST SAID LINE N. 44°52'05" W., 56.50 FEET TO THE POINT OF COMMENCEMENT.

ALSO EXCEPTING THEREFROM THAT PARCEL OF LAND CONVEYED BY DEED (STATE PARCEL NO. 12875-DD-1) TO JOHN MOROSI, ET AL, RECORDED AUGUST 10, 1961, IN VOLUME A302 AT PAGE 320, OFFICIAL RECORDS OF SAID COUNTY AND DESCRIBED THEREIN AS FOLLOWS:

COMMENCING AT THE MOST SOUTHERLY CORNER OF THE PARCEL OF LAND DESCRIBED IN DIRECTOR'S DEED NO. 12875-DD TO JOHN A. MOROSI, ET AL, RECORDED SEPTEMBER 23, 1959 IN VOLUME A-34, PAGE 578, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID PARCEL, N 44°52'05" W., 40.99 FEET TO THE MOST WESTERLY CORNER OF SAID PARCEL; THENCE S. 22°01'25" W., 21.75 FEET TO A LINE PARALLEL WITH AND DISTANT 20.00 FEET SOUTHWESTERLY, AT RIGHT ANGLES, FROM THE LINE DESCRIBED ABOVE WITH THE LENGTH OF 40.99 FEET; THENCE ALONG SAID PARALLEL LINE, S. 44°52'05" E., 32.45 FEET TO THE SOUTHEASTERLY LINE OF PARCEL 1 OF THE LANDS DESCRIBED IN DEED NO 12875 TO THE STATE OF CALIFORNIA, RECORDED APRIL 7, 1954 IN VOLUME 6353, PAGE 393, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO; THENCE ALONG SAID SOUTHEASTERLY LINE, WHICH IS ALSO THE NORTHWESTERLY LINE OF FOLSOM STREET, N 45°07'55" E., 20.00 FEET TO THE POINT OF COMMENCEMENT.

PARCEL O

THAT PORTION OF THAT PARCEL OF LAND DESCRIBED AS "PARCEL 1" (STATE PARCEL NO. 12874) AND CONVEYED TO THE STATE OF CALIFORNIA BY THE INDENTURE BETWEEN SOUTHERN PACIFIC COMPANY AND THE STATE OF CALIFORNIA, RECORDED APRIL 10, 1956, IN VOLUME 6822, PAGE 127, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, INCLUDED WITHIN THE FOLLOWING DESCRIBED LINES: BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF BEALE STREET AND THE SOUTHEASTERLY LINE OF HOWARD STREET; THENCE ALONG SAID SOUTHEASTERLY LINE OF HOWARD STREET, NORTH 46°07'55" EAST, 189.17 FEET; THENCE LEAVING SAID SOUTHEASTERLY LINE OF HOWARD STREET, FROM A TANGENT THAT BEARS SOUTH 40°59'58" EAST, ALONG A CURVE TO THE RIGHT WITH A RADIUS OF 371.53 FEET, THROUGH AN ANGLE OF 56°53'07", AN ARC DISTANCE OF 368.87 FEET TO A POINT ON SAID NORTHEASTERLY LINE OF BEALE STREET; THENCE ALONG SAID NORTHEASTERLY LINE OF BEALE STREET, NORTH 44°52'05" WEST, 299.10 FEET TO THE POINT OF BEGINNING.

5



San Francisco Assessor-Recorder

Carmen Chu, Assessor-Recorder

DOC- 2015-K010440-00

Check Number 1544

Thursday, JAN 22, 2015 13:22:44

Ttl Pd \$54.00

Rcpt # 0005089705

0J1/KC/1-14

RECORDING REQUESTED BY
AND WHEN RECORDED
MAIL TO:

Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, CA 94105
Attn: Zachary S. Finley, Esq.

Space Above for Recorder's Use Only

APN(s)/Parcel ID(s): Lot 015A, 016, and 031, Block 3721

**SUBORDINATION OF OPTION AGREEMENT
FOR THE PURCHASE AND SALE OF REAL PROPERTY**

by and among

TRANSBAY JOINT POWERS AUTHORITY
(Borrower)

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO**
(Agency)

and

GOLDMAN SACHS BANK USA, as Collateral Agent
(Collateral Agent)

SUBORDINATION OF OPTION AGREEMENT
FOR THE PURCHASE AND SALE OF REAL PROPERTY

THIS SUBORDINATION OF OPTION AGREEMENT FOR THE PURCHASE AND SALE OF REAL PROPERTY (this "Subordination") is made as of the 22nd day of January, 2015, by and among the TRANSBAY JOINT POWERS AUTHORITY, a joint powers authority created pursuant to an agreement among the City and County of San Francisco, the Alameda-Contra Costa Transit District and the Peninsula Corridor Joint Powers Board (Caltrain) and under the California Joint Exercise of Powers Act, codified at California Government Code Sections 6500 *et seq.* ("Borrower"), GOLDMAN SACHS BANK USA, as collateral agent on behalf the Secured Parties (as defined in the below-described Credit Agreement) (together with its successor and assigns in such capacity, "Collateral Agent"), and the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body corporate and politic of the State, established pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code Sections 33000 *et seq.*) ("Agency").

RECITALS:

A. Pursuant to that certain Credit Agreement, dated as of the date hereof (as amended, restated, supplemented, extended or otherwise modified from time to time and as refinanced, refunded or replaced from time to time, the "Credit Agreement"), by and among Borrower, the financial institutions from time to time party thereto, as lenders ("Lenders"), and Goldman Sachs Bank USA, as Sole Lead Arranger, Sole Lead Bookrunner, Syndication Agent, Administrative Agent and Collateral Agent, Lenders have agreed to extend a senior secured term loan facility (the "Term Facility") to Borrower in an aggregate principal amount of \$171,000,000.

B. Borrower's Obligations (as defined in the Credit Agreement), including without limitation the repayment of certain loans made by Lenders under the Term Facility ("Loans"), are secured by, among other things, a Deed of Trust, Assignment of Leases and Rents and Security Agreement, dated as of the date hereof (the "Instrument"), which grants Collateral Agent, for the benefit of Secured Parties, a first lien on the property encumbered thereby and that is more particularly described on Exhibit A hereto (the "Property"). The Credit Agreement, the Instrument, this Subordination and all other Credit Documents (as defined in the Credit Agreement) are referred to collectively herein as the "Documents."

C. Pursuant to that certain Collateral Agency Agreement, dated as of the date hereof (as amended, restated, supplemented, or otherwise modified from time to time, the "Facility Collateral Agency Agreement"), among Borrower, Collateral Agent and U.S. Bank National Association, in its capacity as depository and collateral agent thereunder (together with its successors and assigns in such capacity, "Facility Collateral Agent"), Facility Collateral Agent has established the Lockbox Account (as defined therein) and has agreed to receive into, hold in, and disburse from the Lockbox Account certain funds that secure the Obligations, including the Gross Sales Proceeds (as referenced in the below-described Option Agreement and as defined in the Cooperative Agreement) from the disposition of the Property.

D. Pursuant to certain affordable housing requirements (the "Transbay Affordable Housing Obligation"), as described in Section 5027.1 of the California Public Resources Code, the Redevelopment Plan for the Transbay Redevelopment Project Area approved by Ordinance No. 124-05, adopted by the Board of Supervisors of the City and County of San Francisco ("City") on June 21, 2005 and Ordinance No. 99-06 adopted by the Board of Supervisors of the City on May 9, 2006 (the "Redevelopment Plan"), and that certain Transbay Redevelopment Project Implementation Agreement, dated as of January 20, 2005 (the "Implementation Agreement"), between the Borrower and the former

Redevelopment Agency of the City and County of San Francisco ("Former Agency"), Agency's predecessor in interest, and finally and conclusively determined by the California Department of Finance to be an enforceable obligation under Redevelopment Dissolution Law, Part 1.85 (commencing with Section 34170) of the California Health and Safety Code (the "Redevelopment Dissolution Law"), the Project Area (as defined in the Redevelopment Plan) must be developed with a sufficient number of units of affordable housing necessary to achieve the Transbay Affordable Housing Obligation. Nothing in this Subordination shall affect this Transbay Affordable Housing Obligation with respect to the Property.

E. Pursuant to that certain Option Agreement for the Purchase and Sale of Real Property, dated as of January 31, 2008 (the "Original Option Agreement"), by and among the City (the "City"), Borrower and Former Agency, Agency holds an option to purchase the Property (the "Option"). Pursuant to that certain First Amendment to Option Agreement, by and among Agency, Borrower, and City, dated as of the date hereof (the "Option Agreement Amendment"; the Original Option Agreement, as amended by the Option Agreement Amendment, is referred to herein as the "Option Agreement"), the Agency and the City consented to this Subordination and related matters.

F. This Subordination permits the Agency to exercise the Option to the Property before the full satisfaction of the Loans on the terms specified below, which include a restriction on Agency exercising the Option for the Property except in connection with a disposition to a third party that generates Gross Sales Proceeds equal to or greater than the Lien Release Price (as defined in the Lien Release Price Letter Agreement referred to and defined in the Credit Agreement). Borrower and the Agency confirm that Borrower and the Agency have conducted their own due diligence to determine that it is reasonably likely that the third party sale of the Property, which would be subject to a requirement that the purchaser develop a number of affordable units required by the Agency in its efforts to achieve compliance with the Transbay Affordable Housing Obligation, would generate Gross Sales Proceeds that are no less than the Lien Release Price.

G. Lenders require as a condition to extending credit to Borrower under the Term Facility that Borrower and Agency subordinate the Option Agreement and Agency's interest in the Option relative to the Property to the Instrument as set forth below.

AGREEMENT:

For good and valuable consideration the parties hereto agree as follows:

1. **Subordination of Option Agreement and Option.** The Option Agreement, the Option and all rights and privileges of Agency thereunder relative to the Property are hereby and shall at all times continue to be subject and unconditionally subordinate in all respects to the lien and payment and satisfaction of the Instrument, the Credit Agreement and the other Documents and any Obligations arising thereunder and to any renewals, extensions, modifications, assignments, replacements, or consolidations thereof and the rights, privileges, and powers of Collateral Agent and Secured Parties thereunder, subject to the terms of this Subordination; provided, however, that nothing in this Subordination shall be construed as preventing Agency from complying with or enforcing the Transbay Affordable Housing Obligation with respect to the Property. For the avoidance of doubt, pursuant to this Subordination, Agency is not subordinating any of its right and privileges under the Option Agreement, the Option, or otherwise relative to any real property other than the Property.

2. **Termination.** At such time as the Obligations are paid in full, this Subordination and all of Collateral Agent's right, title and interest hereunder and the Instrument shall terminate ("Termination"). On or as soon as practicable following the date of Termination, Collateral Agent shall provide a document in form reasonably acceptable to each of Collateral Agent, Borrower and Agency to

release the Property from this Subordination and the Instrument, which document Borrower and/or Agency may record in the Official Records of the City and County of San Francisco.

3. Estoppel. Agency represents and warrants that (a) the Option Agreement is in full force and effect and, except as amended by the Option Agreement Amendment, has not been modified, amended or assigned, (b) neither Agency nor Borrower is in default under any of the terms, covenants or provisions of the Option Agreement, and Agency knows of no event which, but for the passage of time or the giving of notice or both, would constitute an event of default under the Option Agreement, (c) neither Agency nor Borrower has commenced any action or given or received any notice for the purpose of terminating the Option Agreement, (d) any and all sums due and payable to Agency under the Option Agreement, if any, have been paid in full, (e) Agency has the full legal right, power and authority to enter into this Subordination and to carry out and consummate all transactions contemplated hereby, (f) the execution, delivery and performance by Agency of this Subordination and the consummation by Agency of the transactions contemplated hereby (i) have been duly authorized by all necessary action on the part of Agency and (ii) do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by, any governmental authority, except as have been made, obtained, given or taken prior to the date of this Subordination, and (g) this Subordination has been duly executed and delivered by Agency and constitutes the legally valid and binding obligation of Agency, enforceable against Agency in accordance with its terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally, (ii) equitable principles relating to enforceability (regardless of whether enforceability is considered in equity or at law) or (iii) the exercise of judicial discretion and the limitations on legal remedies against government entities in the State of California.

4. Covenants of Borrower and Agency. Borrower and Agency each hereby covenant with Collateral Agent that during the term of this Subordination, except as set forth in Section 6 of this Subordination: (a) they shall not transfer or assign any right, title or interest or responsibility or liability under the Option Agreement with respect to the Property to any other person or entity without prior written notification to Collateral Agent and the prior written consent of Collateral Agent, which consent may be withheld by Collateral Agent in Collateral Agent's sole discretion; (b) without the prior consent of the Requisite Lenders (as defined in the Credit Agreement; such consent not to be unreasonably withheld), they shall not terminate or amend any terms or provisions of the Option Agreement with respect to the Property except as could not reasonably be expected to materially adversely affect the interests of the Lenders; and (c) they shall, in the manner provided for in this Subordination, give notice to Collateral Agent of any notice that either party receives with respect to the Option Agreement with respect to the Property.

5. Receipt of Payments and Fees. Collateral Agent, Borrower and Agency hereby agree that during the term of this Subordination, Borrower shall not be entitled to receive any fee, commission or other amount payable to Borrower by Agency under the Option Agreement for the Property, and that such amounts shall instead be paid directly to Facility Collateral Agent. Without limiting the foregoing, and notwithstanding anything to the contrary in the Option Agreement, the Cooperative Agreement (as defined in the Option Agreement) or the Implementation Agreement, if Agency is permitted under Section 6 of this Subordination to exercise the Option under the Option Agreement for the Property, then Agency and Borrower shall deliver (or cause to be delivered) to Facility Collateral Agent any and all Gross Sales Proceeds realized from the disposition of the Property, and any and all other amounts due and payable to Borrower (including any amounts required to be deposited into the Trust Account (as defined in the Cooperative Agreement)) under the Option Agreement for exercising the Option for the Property and from any disposition by Borrower or Agency of the Property. Any amounts paid to Facility Collateral Agent shall be held in, and disbursed from, the Lockbox Account by Facility Collateral Agent pursuant to the terms of the Facility Collateral Agency Agreement.

6. Exercise of Option. During the term of this Subordination, and so long as an Event of Default (as defined in the Credit Agreement) does not exist, Collateral Agent agrees to permit Agency to exercise the Option for the Property in accordance with the Option Agreement and the Transbay Affordable Housing Obligation provided that (a) Borrower or Agency has taken (or caused to be taken) such actions as may be necessary and reasonably acceptable to Collateral Agent to either (i) subdivide the Property into (A) a parcel with the airspace, surface, and/or subsurface of the Property needed for the construction, operation, maintenance, repair, and replacement of the then existing train box components of the Transbay Transit Center Project and any future train box components reasonably required at the Property to operate the Transbay Transit Center Project as a transit facility (the "**Train Box Components**") and (B) a parcel with the remaining developable portion of the Property (such remaining developable portion of the Property the "**Parcel F Development Area**"), or (ii) permit the Borrower to retain an easement ("**Easement**") in the portion of the Property (the "**Easement Area**") needed for the construction, operation, maintenance, repair, and replacement of the Train Box Components, which Easement would prohibit any use of the remainder of the Property from interfering or damaging, or threatening to interfere or damage, the Train Box Components or Borrower's use of the Easement Area pursuant to the Easement, (b) Agency delivers timely written notice as required by Section 9(b) hereof, (c) substantially contemporaneously with the exercise of the Option, Agency disposes of the Parcel F Development Area, or disposes of the Property subject to the Easement, to a third party in a transaction for which the Gross Sales Proceeds realized from such disposition shall be equal to or greater than the Lien Release Price for the Parcel F Development Area or the Property subject to the Easement, and (d) any sums due to Borrower or Agency under the Option Agreement for exercising the Option for the Property or from the disposition of the Property including Gross Sales Proceeds from such disposition shall be paid directly to Facility Collateral Agent as required by Section 5 hereof on the Closing Date (as defined in the Option Agreement) of such disposition. If any Event of Default exists or any of the conditions in clauses (a) through (d) are not satisfied, Agency may not exercise the Option with respect to the Property unless agreed to in writing by Collateral Agent in its sole discretion.

7. Release of Optioned Property. If (a) Agency exercises the Option for the Property and closes on the Option with respect to the Property in accordance with the terms of the Option Agreement and this Subordination and (b) the Gross Sales Proceeds for the Property are paid directly to Facility Collateral Agent for deposit in the Lockbox Account on the Closing Date for the disposition of the Property, Collateral Agent shall provide on the Closing Date for the disposition of the Property, a document in form reasonably acceptable to each of Collateral Agent, Borrower and Agency to release from this Subordination and the Instrument all or that portion of the Property transferred pursuant to the Option, which document Borrower and/or Agency may record in the Official Records of the City and County of San Francisco.

8. Affordable Housing. Agency's consent to this Subordination is made with the following understandings and acknowledgements, which are consented to by Collateral Agent, for the benefit of Secured Parties: The Property is subject to the Transbay Affordable Housing Obligation, which applies to and passes with the Property, and applies to and binds the successors in interest of any owner of the Property; that the Property shall be held, transferred, sold and conveyed, subject to the conditions, restrictions, reservations and covenants set forth in the Transbay Redevelopment Project Area Declaration of Restrictions, recorded in the Official Records of the City and County of San Francisco on August 4, 2006 as Document No. 20061224839 (the "**Declaration of Restrictions**"), which includes the Transbay Affordable Housing Obligation. In the event of a foreclosure sale or a sale pursuant to any power of sale contained in or under the Instrument or any other mortgage, deed of trust, or other encumbrance upon the Property, the purchaser or purchasers and their successors and assigns, and the Property, shall continue to be subject to all of the conditions, restrictions and covenants provided in the Declaration of Restrictions; and, consistent with its enforceable obligations under the Redevelopment Dissolution Law, Agency retains full authority to determine the infrastructure, affordable housing, and open space requirements that

apply to any development on all or any portion of the Property to meet the Transbay Affordable Housing Obligation and implement the Redevelopment Plan.

9. Consent and Agreement by Agency. Agency hereby acknowledges and consents to this Subordination and agrees that Agency will act in conformity with the provisions of this Subordination and Collateral Agent's rights hereunder or otherwise related to the Option Agreement. Agency hereby agrees (a) not to contest or impede the exercise by Collateral Agent of any right it has under or in connection with this Subordination; and (b) that it shall, in the manner provided for in this Subordination, give at least thirty (30) days prior written notice to Collateral Agent of its intention to exercise the Option.

10. GOVERNING LAW. THIS SUBORDINATION AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF AND ANY DETERMINATIONS WITH RESPECT TO POST-JUDGMENT INTEREST) SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK; PROVIDED THAT WITH RESPECT TO THE MATTERS OF CAPACITY, POWER AND AUTHORITY OF BORROWER AND AGENCY, INCLUDING THE AGENCY'S RIGHTS UNDER SECTION 8 ABOVE, THE LAWS OF THE STATE OF CALIFORNIA SHALL GOVERN.

11. WAIVER OF JURY TRIAL. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS SUBORDINATION. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS SUBORDINATION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS SUBORDINATION, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 11 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO. IN THE EVENT OF LITIGATION, THIS SUBORDINATION. MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

12. Notices. All notices or other written communications hereunder shall be deemed to have been properly given (a) upon delivery, if delivered in person or by facsimile transmission with receipt acknowledged by the recipient thereof, (b) one (1) Business Day (hereinafter defined) after having been deposited for overnight delivery with any reputable overnight courier service, or (c) three (3) Business Days after having been deposited in any post office or mail depository regularly maintained by the U.S.

Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Borrower:

Transbay Joint Powers Authority
201 Mission Street, Suite 2100
San Francisco, CA 94105
Attention: Executive Director Maria Ayerdi-Kaplan

With a copy to Borrower's Legal Counsel:

Shute, Mihaly & Weinberger LLP
396 Hayes Street
San Francisco, CA 94102
Attention: Deborah Miller

If to Collateral Agent:

Goldman Sachs Bank USA
200 West Street, 16th Floor
New York, NY 10282
Attention: SBD Operations

With a copy to Collateral Agent's Legal Counsel:

Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, CA 94105-2669
Attention: Zachary S. Finley

If to Agency:

Successor Agency to the Redevelopment Agency of the City and County of San Francisco
One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attention: Tiffany Bohee, Executive Director

With a copy to:

Successor Agency to the Redevelopment Agency of the City and County of San Francisco
One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attention: James B. Morales, Interim General Counsel & Deputy Director

or addressed as such party may from time to time designate by written notice to the other parties. For purposes of this Section 12, the term "Business Day" shall mean a day on which commercial banks are not authorized or required by law to close in either New York, New York or San Francisco, California.

Any party by notice to the others may designate additional or different addresses for subsequent notices or communications.

13. **No Oral Change.** This Subordination, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower, Agency or Collateral Agent, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

14. **Successors and Assigns.** This Subordination shall be binding upon and inure to the benefit of Borrower, Agency and Collateral Agent and their respective successors and assigns forever.

15. **Inapplicable Provisions.** If any term, covenant or condition of this Subordination is held to be invalid, illegal or unenforceable in any respect, this Subordination shall be construed without such provision.

16. **Headings, Etc.** The headings and captions of various paragraphs of this Subordination are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

17. **Duplicate Originals; Counterparts.** This Subordination may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Subordination may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Subordination. The failure of any party hereto to execute this Subordination, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

18. **Number and Gender.** Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

19. **Attorneys' Fees.** In the event that any party hereto fails to perform any of its obligations under this Subordination or in the event a dispute arises concerning the meaning or interpretation of any provision of this Subordination, the defaulting party or the non-prevailing party in such dispute, as the case may be, shall pay the prevailing party reasonable attorneys' and experts' fees and costs, and all court costs and other costs of action incurred by the prevailing party in connection with the prosecution or defense of such action and enforcing or establishing its rights hereunder (whether or not such action is prosecuted to a judgment).

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

[Signature page to follow]

IN WITNESS WHEREOF the undersigned have executed this Subordination as of the date and year first written above.

BORROWER:

TRANSBAY JOINT POWERS AUTHORITY,
a Joint Powers Agency

By: 

Name: Maria Ayerdi Kaplan

Its: Executive Director

APPROVED AS TO FORM:

By: 

Deborah Miller

Shute, Mihaly & Weinberger LLP

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF San Francisco

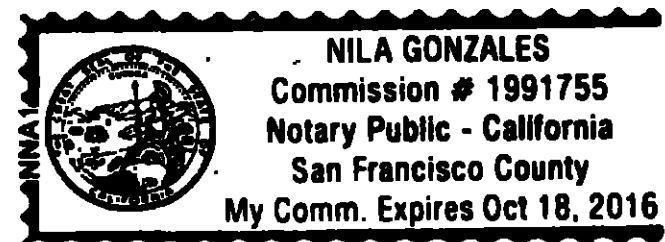
On January 13, 2015, before me, Nila Gonzales, Notary Public, personally appeared Maria Ayerdi Kaplan, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ are subscribed to the within instrument and acknowledged to me that ~~he/she~~ they executed the same in his/~~her~~ their authorized capacity(ies), and that by his/~~her~~ their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 

(Seal)



[SIGNATURES TO SUBORDINATION OF OPTION AGREEMENT (PARCEL F)
CONTINUED ON FOLLOWING PAGE]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

[SIGNATURE PAGE TO SUBORDINATION OF OPTION AGREEMENT FOR THE PURCHASE
AND SALE OF REAL PROPERTY (PARCEL F)]

AGENCY:

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO**, a public body
corporate and politic

By:

Name:

Its:

Tiffany Pohee

Executive Director

A notary public or other officer completing this
certificate verifies only the identity of the
individual who signed the document to which this
certificate is attached, and not the truthfulness,
accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF San Francisco

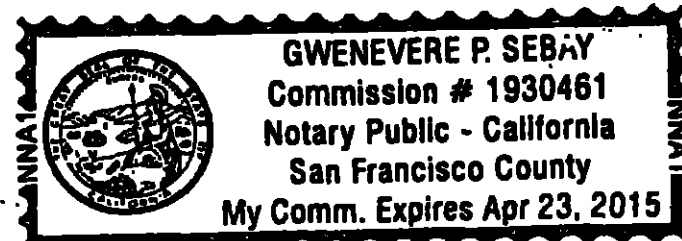
On January 16, 2015, before me, Gwenevera P. Sebay, Notary Public,
Tiffany Pohee, who proved to me on the basis of satisfactory evidence to be the
person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that
~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~
signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

(Seal)



[SIGNATURES CONTINUED ON FOLLOWING PAGE]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

[SIGNATURE PAGE TO SUBORDINATION OF OPTION AGREEMENT FOR THE PURCHASE
AND SALE OF REAL PROPERTY (PARCEL F)]

COLLATERAL AGENT:

GOLDMAN SACHS BANK USA, as Collateral Agent

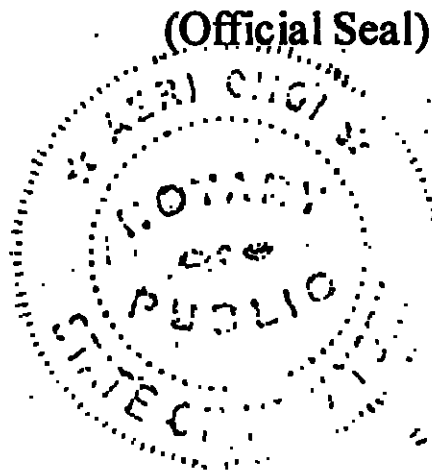
By: [Signature]
Name: Robert Ehudin
Its: Authorized Signatory

STATE OF NEW YORK)
 Queens) ss.:
COUNTY OF ~~NEW YORK~~)

On the 14 day of January in the year 2015 before me, the undersigned, personally appeared Robert Ehudin, Authorized Signatory of Goldman Sachs Bank USA, personally known to me or proved to me on the basis of satisfactory evidence to me the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the Instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

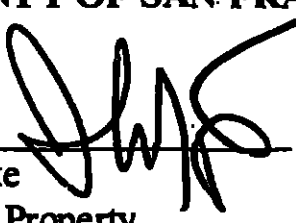
[Signature]
Notary Public **AERI CHOI**
 Notary Public, State of New York
 No. 01CH6292922
Printed Name: Qualified in Queens County
 Commission Expires November 12, 2017

My Commission Expires: 11/12/17



**THE CITY AND COUNTY OF SAN FRANCISCO HEREBY
ACKNOWLEDGES THE FOREGOING SUBORDINATION
OF OPTION AGREEMENT (PARCEL F):**

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

By: 
Name: John Updike
Its: Director of Property

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF San Francisco

On January 16, 2015, before me, Lenore M. Elkarou, personally appeared John Updike, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is subscribed to the within instrument and acknowledged to me that he ~~she/they~~ executed the same in his ~~her/their~~ authorized capacity(ies), and that by his ~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)

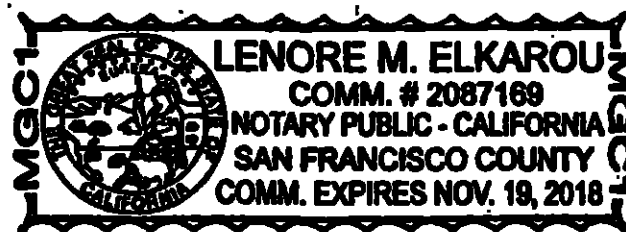


EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

For APN/Parcel ID(s): Lot 015A, 016, and 031, Block 3721

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

TRACT A:

PARCEL ONE:

All that parcel of land (State Parcel No. 371) conveyed to the State of California by Instrument recorded August 3, 1937, in Volume 3153, Page 450, Official Records of the City and County of San Francisco and described therein as follows:

BEGINNING at a point on the Northwestern line of Howard Street, distant thereon 275 feet Northeasterly from the Northeasterly line of 2nd Street; and running thence Northeasterly along said line of Howard Street, 50 feet; thence at a right angle Northwesternly 85 feet; thence at a right angle Southwesterly 50 feet; and thence at a right angle Southeasterly 85 feet to the point of beginning.

BEING portion of 100 Vara Block No. 347.

PARCEL TWO:

All that parcel of land (State Parcel No. 372) conveyed to the State of California by Instrument recorded September 4, 1937, in Volume 3192, Page 151, Official Records of the City and County of San Francisco and described therein as follows:

COMMENCING at a point on the Southeasterly line of Natoma Street, distant thereon 423 feet Northeasterly from the Northeasterly line of 2nd Street; running thence Northeasterly along said line of Natoma Street, 90 feet; thence at a right angle Southeasterly 50 feet; thence at a right angle Southwesterly 90 feet; and thence at a right angle Northwesternly 50 feet to the point of commencement.

BEING a portion of 100 Vara Block No. 347.

PARCEL THREE:

All that parcel of land (State Parcel No. 502) described in the Instrument recorded September 3, 1937, in Volume 3195, Page 96, Official Records of the City and County of San Francisco and described therein as follows:

COMMENCING at a point on the Southeasterly line of Natoma Street, distant thereon 335 feet Northeasterly from the Northeasterly line of 2nd street; running thence Northeasterly and along

said line of Natoma Street, 88 feet; thence at a right angle Southeasterly 70 feet, 2 inches; thence at a right angle Southwesterly 25 feet; thence at a right angle Southeasterly 10 feet; thence at a right angle Southwesterly 11 feet, 6 inches; thence at a right angle Southeasterly 85 feet to a point on the Northwesterly line of Howard street, distant thereon 386 feet, 6 inches Northeasterly from the Northeasterly line of 2nd Street; thence Southwesterly along said line of Howard Street, 61 feet, 6 inches; thence at a right angle Northwesterly 85 feet; thence at a right angle Southwesterly 28 feet; thence at a right angle Northwesterly 2 inches; thence in a direct line, Northwesterly 88 feet, 6-3/4 inches to the point of commencement.

BEING part of 100 Vara Block No. 347.

Assessor's Parcel No. : Lot 015A, Block 3721

TRACT B:

BEGINNING at a point on the Northwesterly line of Howard Street, distant thereon 386 feet and 6 inches Northeasterly from the Northeasterly line of 2nd Street; running thence Northeasterly along said line of Howard Street 36 feet and 6 inches; thence at a right angle Northwesterly 95 feet, more or less, to a point perpendicularly distant 70 feet and 2 inches Southeasterly from the Southeasterly line of Natoma Street; thence Southwesterly parallel with said Southeasterly line of Natoma Street 25 feet; thence at a right angle Southeasterly 10 feet; thence at a right angle Southwesterly 11 feet and 6 inches; thence at a right angle Southeasterly 85 feet, more or less, to the point of beginning.
BEING a portion of 100 Vara Block No. 347.

Assessor's Parcel No. : Lot 016, Block 3721

TRACT C:

BEGINNING at a point on the Southeasterly line of Natoma Street, distant thereon 255 feet Northeasterly from the Northeasterly line of 2nd Street; running thence Southeasterly parallel with said Northeasterly line of 2nd Street 65 feet, more or less, to a point perpendicularly distant 100 feet Northwesterly from the Northwesterly line of Howard Street; thence at a right angle Northeasterly parallel with said Northwesterly line of Howard Street 20 feet; thence at a right angle Southeasterly 15 feet to a point perpendicularly distant 85 feet Northwesterly from the Northwesterly line of Howard street; thence Northeasterly parallel with said Northwesterly line of Howard Street 22 feet; thence at a right angle Northwesterly 2 inches; thence Northwesterly 88 feet and 6-3/4 inches, more or less, to a point on the Southeasterly line of Natoma Street, distant thereon 335 feet Northeasterly from the Northeasterly line of 2nd street; thence Southwesterly along said Southeasterly line of Natoma Street 80 feet to the point of beginning.

BEING a portion of 100 Vara Block No. 347.

Assessor's Parcel No.: Lot 031, Block 3721