



108-0182020-002

Agenda Item **No. 5(c)**
Meeting of August 18, 2020

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Nadia Sesay, Executive Director

SUBJECT: Authorizing, pursuant to the Transbay Implementation Agreement and Option Agreement, the Executive Director to acquire Transbay Blocks 2, 3, and 4 (Assessor Parcel Block 3739, Lots 002, 004, 006, 007, 008), located between Howard, Main, Folsom, and Beale Streets, by 1) Exercising an Option to Acquire Former State-Owned Parcels, 2) Executing an Agreement with the Transbay Joint Powers Authority to Acquire Appurtenant Property, 3) Taking other necessary actions to complete the transaction and manage the newly-acquired property, and 4) adopting environmental findings pursuant to the California Environmental Quality Act; providing notice that these actions are within the scope of the Transbay Redevelopment Project approved under the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project Final Environmental Impact Statement/Environmental Impact Report, a Program EIR, and are adequately described in the Final EIS/EIR for purposes of the California Environmental Quality Act; Transbay Redevelopment Project Area

London N. Breed
MAYOR

Nadia Sesay
EXECUTIVE DIRECTOR

Miguel Bustos
CHAIR

Mara Rosales
Bivett Brackett
Dr. Carolyn Ransom-Scott
COMMISSIONERS

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EXECUTIVE SUMMARY

In 2008, the Transbay Joint Powers Authority ("TJPA"), the City and County of San Francisco ("City") and the Redevelopment Agency of the City and County of San Francisco ("Former Agency") entered into an Option Agreement for the Purchase and Sale of Real Property ("Option Agreement"), which sets forth the process for the transfer to, and purchase by, the Former Agency of certain State-owned parcels so that the Former Agency (and now OCII) may fulfill its obligations under various enforceable obligations, including the Transbay Redevelopment Project Implementation Agreement (Jan. 20, 2005) to prepare and sell the State-owned parcels. The Option Agreement provides that the sales proceeds 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.

In addition, the Option Agreement contemplates acquisition of property interests appurtenant to the State-owned parcels.

The TJPA commenced construction of the Transbay Transit Center, now known as the Salesforce Transit Center ("Transit Center"), in 2010 and completed it in 2019. To permit the demolition of the former Transbay Bus Terminal and the construction of the new Transit Center, the TJPA acquired land within Zone One and constructed a temporary bus terminal on the block bordered by Howard, Main, Folsom and Beale Streets, also known as Transbay Block 2, Block 3, and Block 4 ("Temporary Terminal Site"), for bus service during the construction period. Following the completion of the Transit Center, the TJPA closed the Temporary Terminal Site. As a result, the TJPA and OCII now propose to transfer the Temporary Terminal Site to OCII to facilitate the intended development of Block 2, Block 3 and Block 4.

The State-owned parcels (Assessor Parcel Block 3739 Lot 008) within Transbay Block 2, Block 3, and Block 4 are available for acquisition by OCII under the Option Agreement. To acquire the remainder of Transbay Blocks 2 and 3, OCII staff propose to execute an Agreement for Purchase and Sale of Real Estate ("PSA") with the TJPA for Assessor Parcel Block 3739, Lots 002, 004, 006, and 007 (the "Appurtenant Parcels"). Due to the restricted uses of Blocks 2 and 3 (as affordable housing and public open space, respectively), the PSA sales price is zero. OCII's exercise of its option under the Option Agreement and approval of the PSA comply with the pre-existing enforceable obligations under the Implementation Agreement and the Transbay Affordable Housing Obligation, as described below.

Staff recommends 1) authorizing the exercise of option under the Option Agreement and 2) approval of the PSA and related actions to acquire and manage Transbay Block 2, Block 3 and Block 4.

DISCUSSION

The Board of Supervisors of the City and County of San Francisco ("Board of Supervisors") approved the Redevelopment Plan for the Transbay Redevelopment Project Area by Ordinances No. 124-05 (June 21, 2005) and No. 99-06 (May 9, 2006), as amended by Ordinance No. 84-15, (June 18, 2015) ("Redevelopment Plan"). The Redevelopment Plan establishes the land use controls for the Transbay Redevelopment Project Area ("Project Area"), and divides the Project Area into two sub-areas: Zone One, in which the Development Controls and Design Guidelines for the Transbay Redevelopment Project ("Development Controls") define the development standards, and Zone Two, in which the San Francisco Planning Code applies through a delegation agreement with the Planning Department. The Redevelopment Plan's purpose is to redevelop approximately 40 acres of property (including 10 acres of property owned by the State of California, which was formerly occupied by a portion of the Embarcadero Freeway ("State-owned parcels")) into a vibrant new downtown neighborhood and to generate funding for the TJPA to construct the Transit Center.

The Redevelopment Plan is implemented through partnerships between OCII, the City, Transbay Joint Powers Authority, the State of California, and for-profit and non-profit developers. 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. Consistent with and in furtherance of the Cooperative Agreement, the

Redevelopment Plan, the City, the TJPA, and the former Redevelopment Agency of the City and County of San Francisco ("Former Agency") entered into that certain Transbay Development Project Tax Increment and Sales Pledge Agreement (the "Pledge Agreement"), dated as of January 31, 2008, pursuant to which the parties provided for the irrevocable pledge of certain non-housing tax increment generated from the former State-owned parcels, as defined in the Pledge Agreement, to TJPA for construction and design of the Transit Center.

In furtherance of the Redevelopment Plan, the TJPA and the Former Agency entered into that certain Implementation Agreement, dated as of January 20, 2005 (the "Implementation Agreement"), which establishes OCII's role to (1) prepare and sell the State-owned parcels to third parties, (2) deposit the sale proceeds into a trust account to help the TJPA pay the cost of constructing the Transit Center, (3) implement the Redevelopment Plan to enhance the financial feasibility of the Transit Center, (4) construct and fund new infrastructure improvements (such as parks and streetscapes) and (5) implement the Transbay Affordable Housing Obligation, which requires that 35% of all new residential units in the Project Area be affordable to low- and moderate-income households. The Implementation Plan incorporates the Option Agreement and includes it as an exhibit.

In 2013, after the state dissolved the Former Agency, the California Department of Finance ("DOF") determined finally and conclusively that the Implementation Agreement, the Pledge 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 Successor Agency expenditures are consistent with those obligations.

The Temporary Terminal Site

Within Zone One, Transbay Block 2, Block 3 and Block 4 comprise the former Temporary Terminal Site, as depicted in Attachment 1, which is bordered by Howard, Main, Folsom, and Beale Streets. A portion of Blocks 2 and 3, and all of Block 4 consist of portions of former State-owned parcels O, O' and O" (Assessor Parcel Block 3739, Lot 008), which TJPA acquired from Caltrans in 2008. The remainder of the land within Blocks 2 and 3 (Assessor Parcel Block 3739, Lots 002, 004, 006, and 007) was purchased by the TJPA from private owners in 2008.

The planned uses of Transbay Blocks 2, 3 and 4 must comply with the Development Controls, which govern land use in Zone One and require, among other things, the parcelization and assembly of land into blocks and lots that are suitable for development. OCII plans to aggregate and prepare the Temporary Terminal Site for disposition and development as follows:

- Block 2 (affordable housing),
- Clementina (public right of way),
- Block 3 (public park),
- Tehama (public right of way),
- Block 4 (mixed-income residential).

In June 2020, OCII released a developer solicitation for Block 2 to develop and construct affordable housing through a Request for Proposals process with proposals due in September 2020. For Block 3, OCII, through a design contract with DPW, is pursuing design and construction of the park, which OCII will convey to the City upon the park's completion. Block 4 is subject to an option agreement between

OCII and F4 Transbay Partners LLC ("Block 4 Developer"), and the parties are negotiating the terms of a Disposition and Development Agreement for development of market-rate and affordable housing. The planned infrastructure and streetscape improvements for the Temporary Terminal Site, including the future Tehama and Clementina public rights-of-way, will be designed and constructed in conjunction with the vertical development of Block 2 and Block 4, and the park on Block 3. Upon completion, the Tehama and Clementina rights-of-way will be dedicated to the City.

Option Agreement

Under the Option Agreement, Section 2.1, OCII holds an exclusive and irrevocable option to purchase (the "Option") certain State-owned parcels, including, among others, 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 Parcels O, O' and O" comprise Block 3739, Lot 008 and form portions of Block 2 and Block 3, and the entirety of Block 4) on the terms and conditions of the Option Agreement. The Option Agreement also contemplates the transfer of appurtenant property "used in connection with the beneficial use and enjoyment of the [State-Owned Parcels]" Option Agreement, Section 1.1 (c).

Under the Option Agreement, Section 4.1(a), OCII may first exercise the Option only after certain conditions have been satisfied, including, relative to Block 2, Block 3 and Block 4, after the TJPA no longer uses the site for the temporary terminal facility. The construction of the Transit Center started in 2010 and was completed in 2019. Following the completion of the Transit Center, the TJPA closed the Temporary Terminal Site. Thus, the conditions have been met for OCII's ability to exercise its rights under the 2008 Option Agreement for the Temporary Terminal Site.

OCII is charged with preparing and selling the properties to third parties, depositing the gross sales proceeds into a trust account (which proceeds are dedicated to help paying for the cost of constructing the Transit Center), and executing all activities related to the implementation of the Redevelopment Plan, including the Transbay Affordable Housing Obligation. The Option Agreement recognizes that the gross sales proceeds for the former State-owned parcels are based on consideration of Transbay Redevelopment Plan development restrictions, environmental contamination, legally required affordable housing, and other conditions which reasonably affect the fair market value. The preservation of this approach to valuation of Parcels O, O', and O" (Blocks 2, 3 and 4), in particular, is important to ensure that OCII is able to fulfill its Transbay Affordable Housing Obligation.

Caltrans' Power of Termination

The Cooperative Agreement between Caltrans, the City, and the TJPA provides the terms under which Caltrans agreed to transfer State-owned parcels to the City and the TJPA for construction of the Transbay Project and redevelopment of the Transbay Project Area. Caltrans retained a power of termination over the transferred State-owned parcels by which Caltrans could retake the parcels if certain conditions are not achieved, primarily relating to timing for completion of the Transit Center and the determination of the appropriate amount of gross sales proceeds generated from the State-owned parcels.

In 2015, Caltrans released its power of termination over Block 4 upon the TJPA's fulfillment of certain conditions related to TJPA's interim construction bridge loan for the Transbay Project.

Caltrans currently retains its power of termination over the State-owned parcels on Block 2 and Block 3, inclusive of the future Tehama and Clementina rights-of-way. The Block 2 Developer will not be able to secure financing on the future Block 2 Affordable Housing Project if Caltrans retains the power of termination. Neither the Block 2 affordable housing use nor the Block 3 public park use would generate sales proceeds for those sites. OCII staff has worked with Caltrans to ensure that this issue does not impede OCII's acquisition and development of Block 2 and Block 3 for their intended uses. To that end, Caltrans has agreed to relinquish its power of termination in return for OCII's agreement to execute binding covenants that will run with the land on Block 2 and Block 3 and that require construction of improvements by January 1, 2028. The covenants would restrict the property's respective uses to affordable housing, public open space, and related ancillary improvements, including the future Clementina and Tehama public rights-of-way, consistent with the Redevelopment Plan, the Development Controls and the Transbay Affordable Housing Obligation.

Purchase and Sale Agreement

The Appurtenant Parcels to be conveyed under the PSA consists of Assessor Block 3739, Lots 002, 004, 006 and 007, which are located on portions of Blocks 2 and 3, as shown on Attachment 1. The Appurtenant Parcels are not subject to the State's power of termination. However, at TJPA's request, OCII has agreed to execute use restrictions that are consistent with the use restrictions proposed on the State-owned portions of Block 2 and Block 3. Given that the affordable housing and public park use do not generate significant, if any, revenues, a recent appraisal report supports the PSA sales price of zero.

Assignment and Assumption of Existing Site Agreements

On April 15, 2020, pursuant to the emergency declarations issued by Mayor London Breed and the emergency legislation enacted by the San Francisco Board of Supervisors related to the COVID-19 pandemic (collectively, the "Emergency Laws"), the TJPA and City entered into a license agreement pursuant to which the City has the exclusive right to use the Temporary Terminal Site for a safe sleeping site for tent camping by unhoused persons ("Safe Sleeping Site Agreement") until such time as the Emergency Laws and other orders related the unhoused persons during the COVID-19 pandemic have expired or otherwise become applicable, unless otherwise terminated by the TJPA in its sole discretion.

The Option Agreement and PSA contemplate that upon transfer, OCII will assume existing leases and licenses related to the Temporary Terminal Site, including the Safe Sleeping Site Agreement, which has not yet been implemented.

Interim Property Management

In consideration of the timing of future development and construction on the Temporary Terminal Site, OCII staff anticipate the need to obtain interim property management services to maintain the Temporary Terminal Site in a safe and orderly condition until such time as construction activities commence on Block 2, Block 3 and Block 4. OCII commonly utilizes the services of property management firms to maintain property within its jurisdiction, and staff is currently preparing a solicitation for property management services for the site. Due to the imminent timing of the closing for transfer of the site, there is an urgent need to have property management services in place upon transfer so that OCII is not at risk for additional liability or damage to its assets. Under OCII's purchasing policy, staff is considering several methods of procurement for a property management contract, including a 3+ Contractor Telephone Solicitation and Sole Source Method, and, given the exigent

circumstances, seeks Commission authorization to enter into a contract for an interim term without returning to the Commission for approval. In considering contractors, the Executive Director will consider a list of qualified SBE contractors from OCII's Contract Compliance Division.

NEXT STEPS

Under the Option Agreement and the PSA, OCII anticipates the close of escrow for the Temporary Terminal Site following Commission action, contingent on certain closing conditions. Upon transfer, contingent on the Emergency Laws and the need for safe-sleeping site, OCII staff will continue to license the site to the City under the Safe Sleeping Site Agreement, or, upon termination of that agreement, staff will provide interim management of the Temporary Terminal Site utilizing the services of a property management firm until the respective development blocks are conveyed to third party developers, and commencement of construction.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

On April 20, 2004, the Former Agency Commission adopted Resolution No. 45-2004, certifying the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project Final Environmental Impact Statement/Environmental Impact Report (the "Final EIS/EIR"), and on January 25, 2005, adopted Resolution No. 11-2005, adopting under the California Environmental Quality Act ("CEQA"), a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program in connection with the adoption of the Redevelopment Plan. Subsequently, the TJPA, the Golden Gate Bridge and Highway Transportation District, and OCII issued eight addenda to the Final EIS/EIR.

OCII staff has reviewed the acquisition of the Temporary Terminal Site under the Option Agreement and the PSA, considered and reviewed the Final EIS/EIR and its addenda, and finds that these actions are within the scope of the project analyzed in the Final EIS/EIR and no additional environmental review is required pursuant to State CEQA Guidelines Sections 15162, 15168 and 15180.

(Originated by Paige Peltzer, Development Specialist and Hilde Myall, Development Services Manager)

DocuSigned by:

4B924DCCB39648D...
Nadia Sesay
Executive Director

Attachment 1: Transbay Project & Site Maps

Attachment 2: Option Agreement for the Purchase and Sale of Real Property

Attachment 3: Agreement for Purchase and Sale of Real Estate

Attachment 1: Project Area and Site Maps

TRANSBAY REDEVELOPMENT PROJECT AREA



Under-Ramp Park
Acres: 2.4

Parcel F

Developers: Hines/Urban Pacific/Goldman Sachs
Total Units: 175 (est.)
Office Sq. Ft.: 287,000
Hotel Rooms: 250
Construction Start: 2020
Completion: 2024



Parcel T
1000'



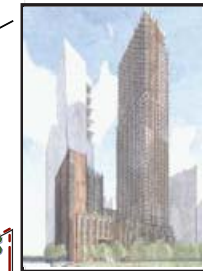
Block 5
250 Howard St.
Park Tower

Developers:
Golub/
John Buck
Office Sq. Ft.: 767,000
Construction
Start: 2015
Completion: 2018



Block 9
500 Folsom St.

Developers: Essex/ BRIDGE
Affordable Rental Units: 109
AMI: 50% & below
Market-Rate Rental Units: 428
Total Units: 537
Construction Start: 2016
Completion: 2020



Block 4
Developer: Hines/Urban Pacific/
Goldman Sachs
Affordable Rental Units: 336

AMI: 45% - 100%
Market-Rate Rental & Condo
Units: 347
Construction Start: 2021
Completion: 2024



Block 8
450 Folsom St. & 250 Fremont St.

Developers: Related/TNDC
Affordable Rental Units: 150
Market-Rate Rental & Condo Units: 396
AMI: 70 Inclusionary Units @ 50% /
80 OCIL sponsored Units @ 50%
Total Units: 548
Construction Start: 2016
Completion: 2019



Block 11A
25 Essex St.
Rene Cazenave Apartments

Developers: BRIDGE/CHP
Affordable Rental Units: 120
AMI: 50% & below
Total Units: 120
Construction Start: 2011
Completion: 2013

Block 12



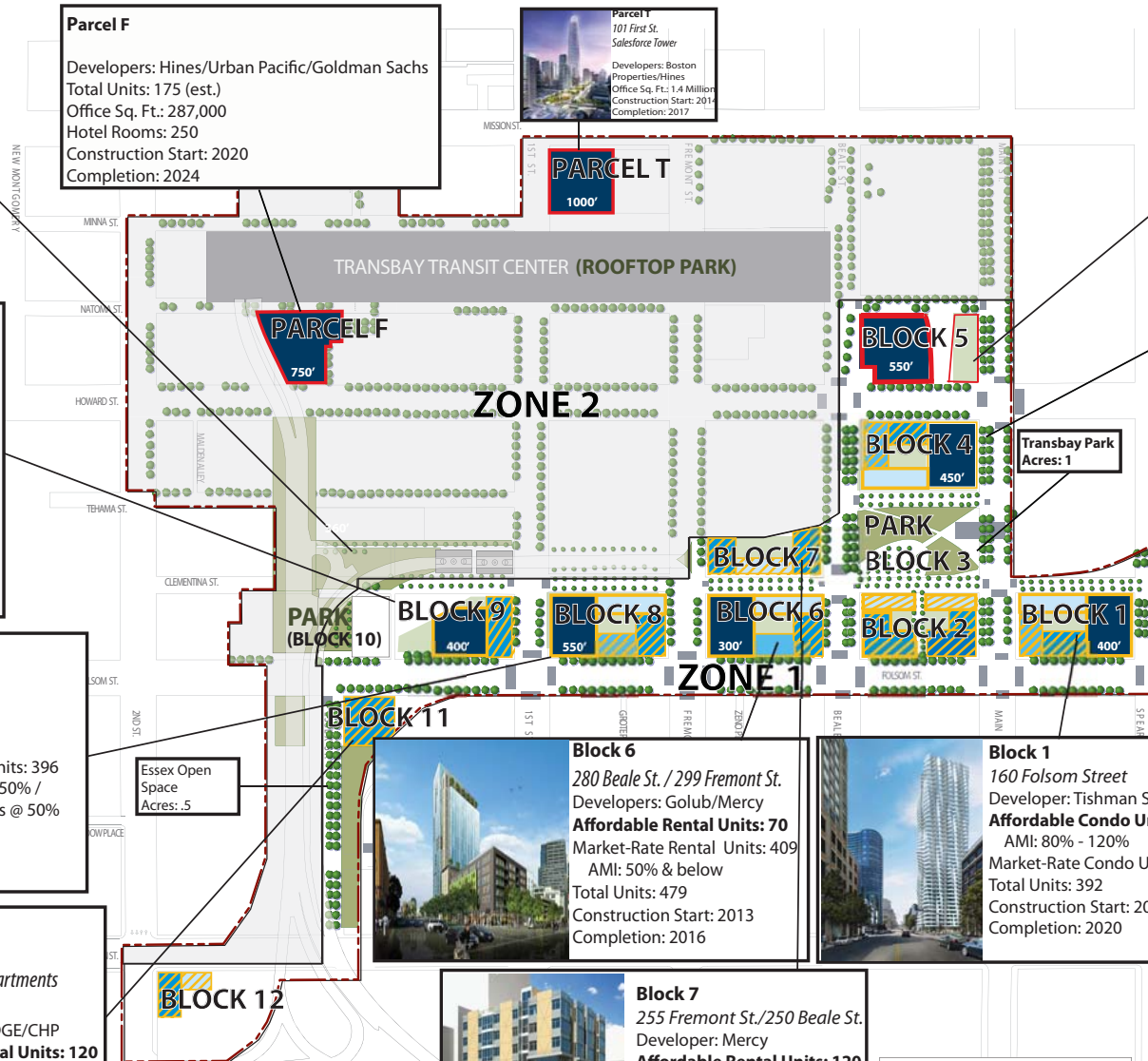
Block 6
280 Beale St. / 299 Fremont St.
Developers: Golub/Mercy
Affordable Rental Units: 70
Market-Rate Rental Units: 409
Total Units: 479
Construction Start: 2013
Completion: 2016



Block 7
255 Fremont St./250 Beale St.
Developer: Mercy
Affordable Rental Units: 120
AMI: 50% & below
Construction Start : 2016
Completion: 2018



Block 1
160 Folsom Street
Developer: Tishman Speyer
Affordable Condo Units: 156
AMI: 80% - 120%
Market-Rate Condo Units: 236
Total Units: 392
Construction Start: 2017
Completion: 2020



TRANSBAY REDEVELOPMENT PROJECT AREA

--- TRANSBAY REDEVELOPMENT PROJECT AREA

--- ZONE 1 --- ZONE 2

LAND USE (SUBJECT TO CHANGE)

--- AFFORDABLE HOUSING

--- MARKET RATE HOUSING

--- COMMERCIAL

OPEN SPACE

--- OPEN SPACE (PUBLICLY OWNED)

--- OPEN SPACE (PRIVATELY OWNED)

PROPOSED HEIGHT LIMITS (MIN AND MAX)

--- Townhomes: 35'-50'

--- Podium 1: 40'-65'

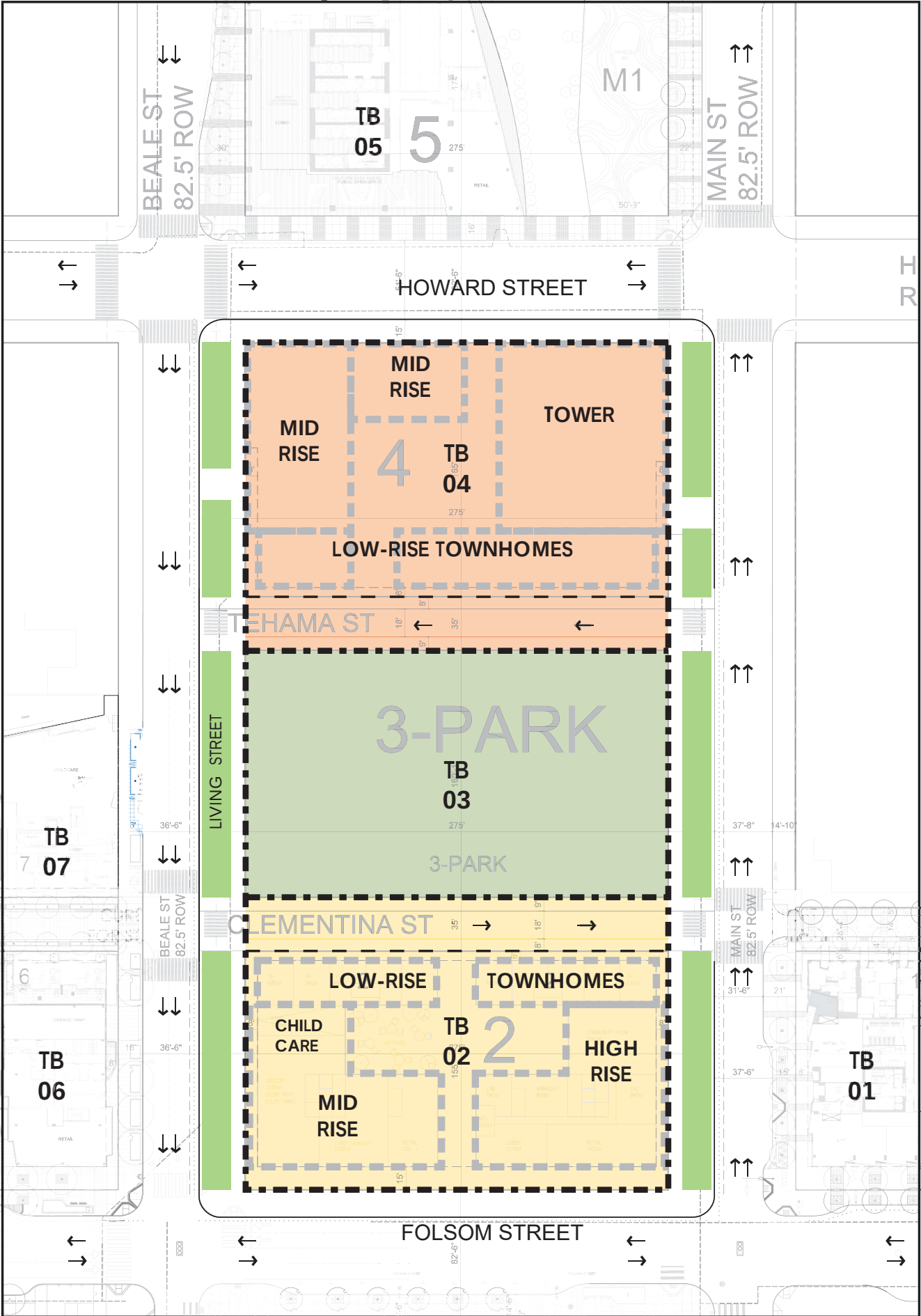
--- Podium 2: 50'-85'

--- Mid-Rise: 65'-165'

--- Towers (Height Varies)



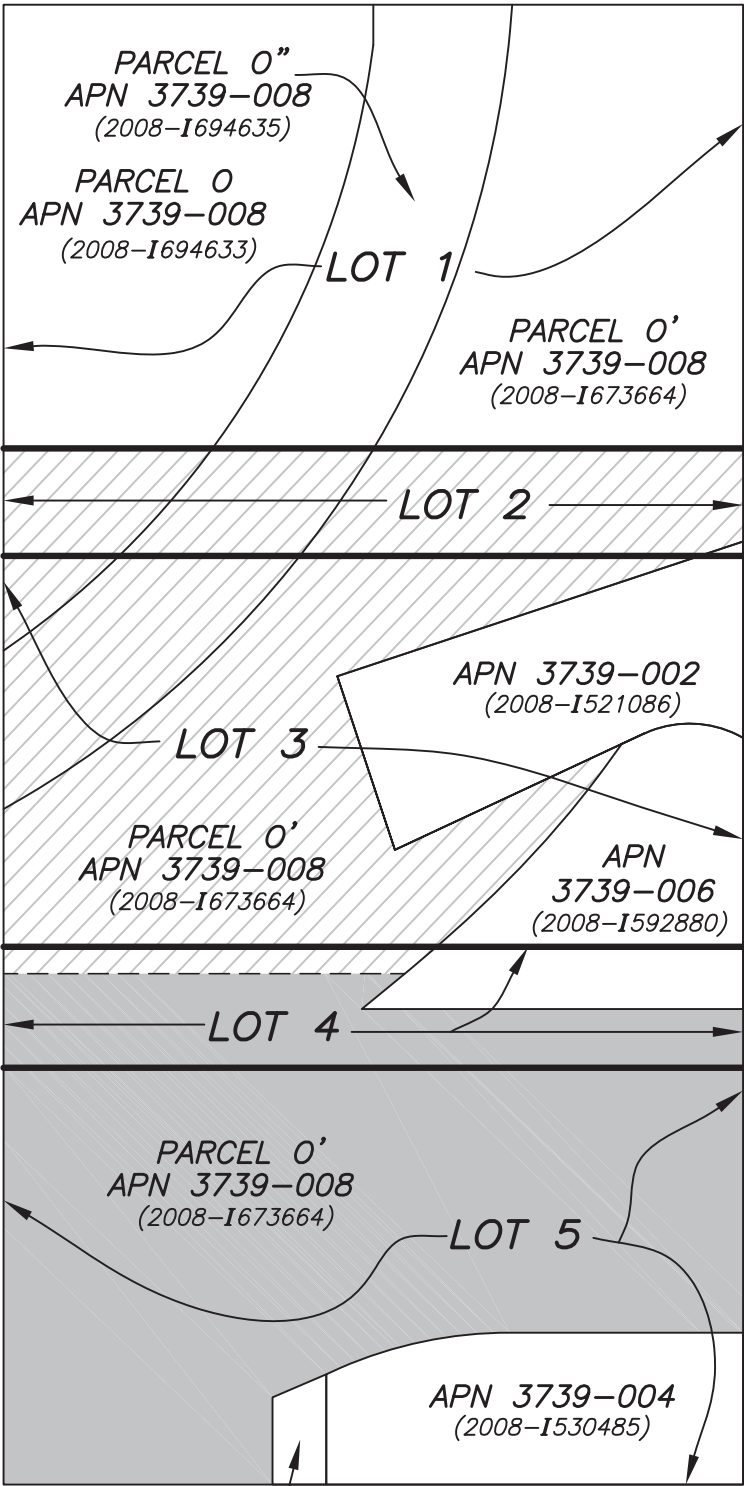
TRANSBAY BLOCKS 2-3-4, CLEMENTINA, and TEHAMA
CONCEPT DIAGRAM



HOWARD STREET



BEALE STREET



MAIN STREET

LOT NOTE

LOTS 1-5 SHOWN HEREON ARE FUTURE LOTS TO BE CREATED BY FINAL TRANSFER MAP 10327

LEGEND

- APN ASSESSOR'S PARCEL NUMBER
- BLOCK/EXISTING LOT LINE
- FUTURE LOT LINE
- AREA COVERED BY POWER OF TERMINATION DOCUMENT (2018-K671709)
- AREA COVERED BY POWER OF TERMINATION DOCUMENT (2018-K671710)

FUTURE LOT	PROPOSED USE
2	PUBLIC STREET
3	PARK
4	PUBLIC STREET
5	AFFORDABLE HOUSING

APN 3739-007 (2008-I530485) FOLSOM STREET

SUBJECT: **EXHIBIT B**

BY DR CHKD. DR DATE 7-10-20 NOT TO SCALE SHEET 1 OF 1 JOB NO. S-9847

MARTIN M. RON ASSOCIATES, INC.
LAND SURVEYORS

859 HARRISON STREET
SAN FRANCISCO, CA. 94107
(415) 543-4500

Option Agreement for the Purchase and Sale of Real Property

CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CITY ATTORNEY

DENNIS J. HERRERA
City AttorneyCHRISTINE M. SILVA
LEGAL ASSISTANT

DIRECT DIAL: (415) 554-4729

E-MAIL: christine.silva@sfgov.org

February 20, 2008

REDEVELOPMENT AGENCY OF THE
CITY & COUNTY OF SAN FRANCISCO
LEGAL DIVISION

FEB 22 2008

Heidi Gewertz, Senior Attorney
Redevelopment Agency of the
City and County of San Francisco
One South Van Ness Avenue, 5th Floor
San Francisco, California 94103

RECEIVED

Re: Transbay Redevelopment Project

Dear Heidi:

For your files, enclosed please find three (3) fully executed originals of the Option Agreement for the Purchase and Sale of Real Property and the Tax Increment Allocation and Sales Proceeds Pledge Agreement for the above-referenced project.

Please note: We only received six (6) executed signature pages (instead of seven) from the Agency for each of the documents listed above. I have flagged one of the enclosed originals so that you may arrange to have Amy Lee sign those pages on behalf of the Agency.

Please do not hesitate to contact this office if you have any questions regarding this matter. Thank you.

Very truly yours,

DENNIS J. HERRERA
City AttorneyA handwritten signature in blue ink, appearing to read "Christine M. Silva".
CHRISTINE M. SILVA
Legal Assistant

Encls.

cc: Carol R. Wong, Deputy City Attorney (w/o encls.)

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

Transbay Option Agreement

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Transbay Option Agreement

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Transbay Option Agreement

LIST OF EXHIBITS AND SCHEDULES

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EXHIBIT A-2	DEPICTION OF CITY TRANSFER PARCELS
EXHIBIT A-3	DEPICTION OF AUTHORITY PARCELS
EXHIBIT A-4	AGENCY TRANSFER PARCELS
EXHIBIT B	FORM OF QUITCLAIM DEED
EXHIBIT C	LIST OF LEASES AND EASEMENTS
EXHIBIT D	FORM OF ASSIGNMENT OF LEASES
EXHIBIT E	MEMORANDUM OF OPTION AGREEMENT

SCHEDULE 1	SURVEY MAP, PARCEL B
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Transbay Option Agreement

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.

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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,

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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

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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

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(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.

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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

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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

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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.

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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:

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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

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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

Transbay Option Agreement

(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

Transbay Option Agreement

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.

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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

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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.

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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

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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

Transbay Option Agreement

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

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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.

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Transbay Option Agreement

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

AGENCY:

Authorized by Agency Resolution No. 14-
2002, adopted Jan. 25, 2002 5
5

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

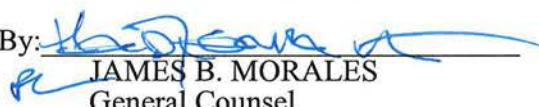
By:


AMY LEE, Deputy Executive Director
Finance and Administration

Date: 2/1/08

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. 14-
2002, adopted Jan. 25, 2002 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. 05-003
Adopted: 1/20/05
Attest:

[Signature]
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: [Signature]
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. 14-
2002, adopted Jan. 25,, 2002
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
AMY L. BROWN
Director of Property

Date: 2/1/08

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: [Signature]
Carol Wong
Deputy City Attorney

Transbay Option Agreement

EXHIBIT A-1

MAP OF ALL TRANSFERRED PARCELS
(STATE-OWNED PARCELS)

[see attached]

EXHIBIT MAPDECEMBER 2002
(REVISION: 4/02/03)

SCALE: NONE

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

SHEET 1 OF 6

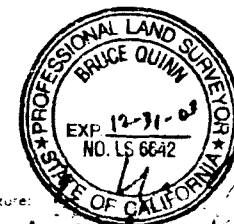
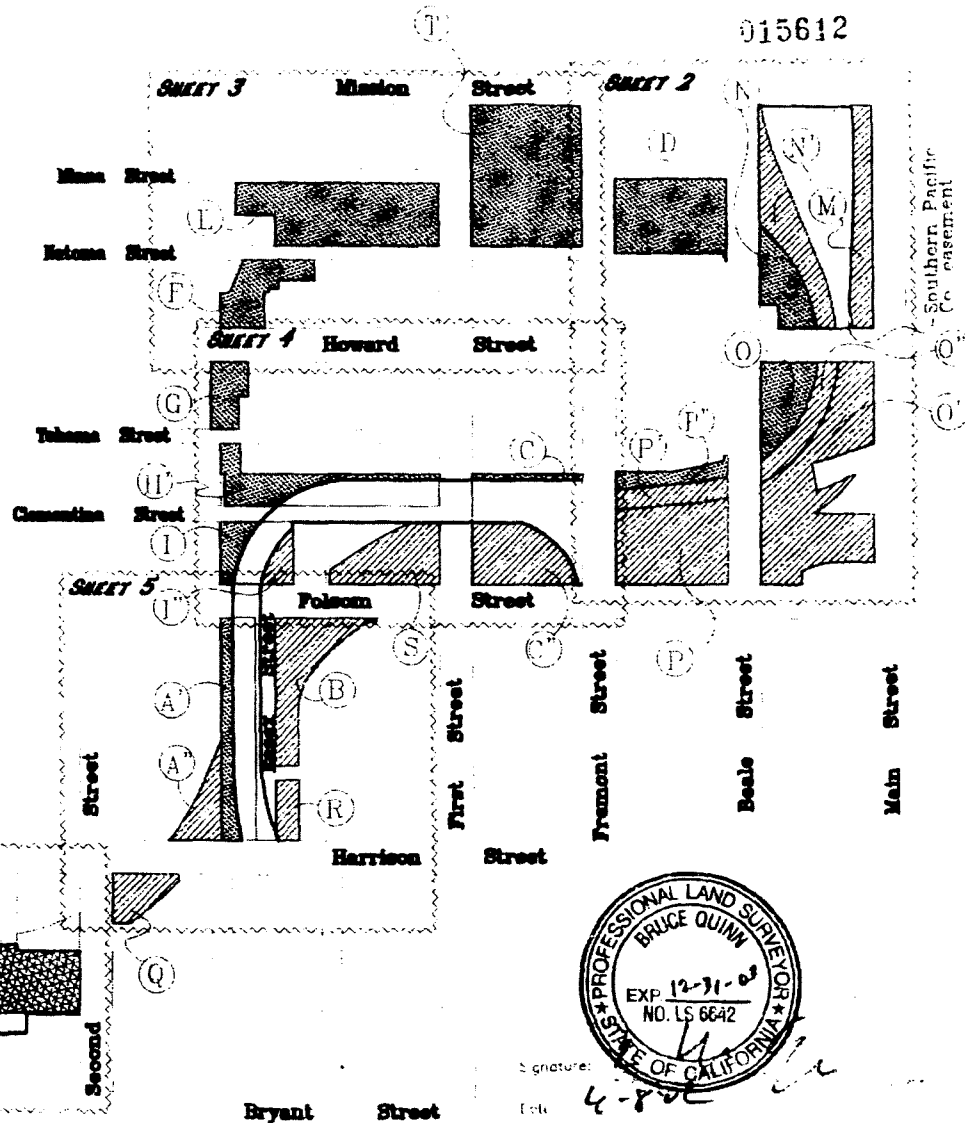
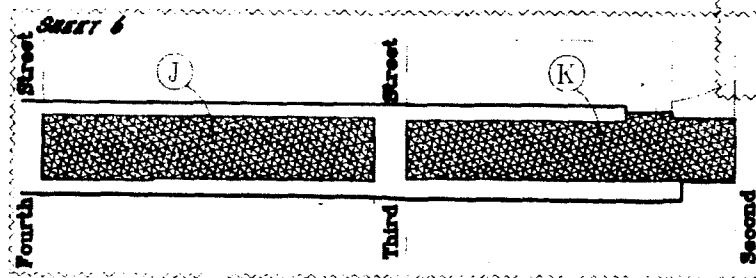
PARCEL LEGEND

-  STATE OWNED PARCELS TO BE TRANSFERRED TO THE CITY AND COUNTY OF SAN FRANCISCO
-  STATE OWNED PARCELS TO BE TRANSFERRED TO THE TRAMWAY JOINT POWERS AUTHORITY
-  STATE OWNED PARCELS TO BE LEASED TO GOLDEN GATE BRIDGE, HIGHWAY, AND TRANSPORTATION DISTRICT ("GGHTD") AND THE AUTHORITY FOR BUS STAGING AND PARKING
-  STATE OPERATING RIGHT OF WAY

PARCEL INFORMATIONPARCEL
NO. APM

A	3749-062
A	3749-062
B	3749-064
C	3737-006, -012, -027
D	3737-006, -012, -027
E	3719-003
F	3721-008
F	3721-015A
G	3736-089
H	3736-007
H	3736-018
I	3736-018
J	3762-004
K	3763-112
K	3718-027
L	3718-025
L	3718-026
M	3739-008
M	3739-008
N	3739-008
N	3739-004
O	3739-004
O	3739-004
P	3764-068
P	3749-081
Q	3736-120
Q	3720-001

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



Signature: _____

Date: 4-8-03

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

Transbay Option Agreement

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

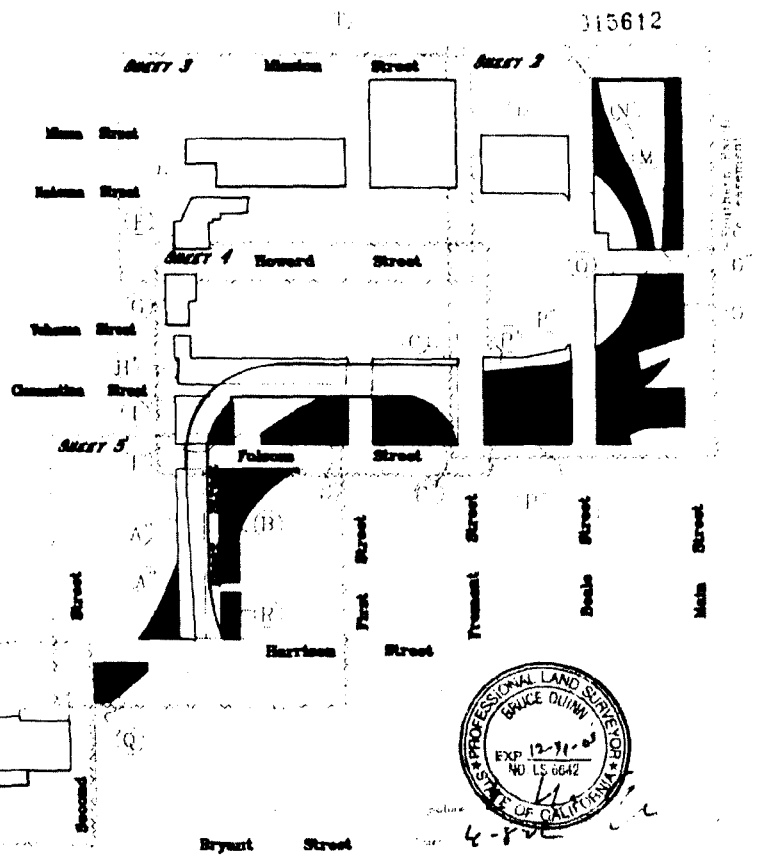
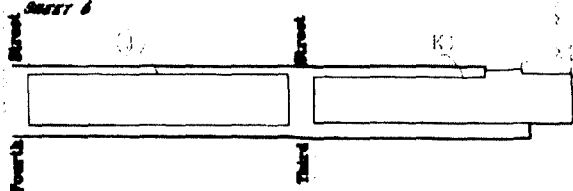
PARCEL INFORMATION

PARCEL
NO.

APN

A	3748-008
A	3748-009
B	3748-004
C	3757-005, -012, -017
C	3757-005, -012, -017
D	3719-005
D	3721-005
E	3721-018A
F	3728-009
G	3728-007
H	3728-018
H	3728-018
I	3728-004
J	3728-112
K	3718-007
K	3718-008
L	3718-008
M	3728-008
M	3728-008
N	3728-008
O	3728-004
P	3728-004
P	3728-004
Q	3724-008
R	3748-001
S	3728-120
T	3728-001

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, IN ACCORDANCE WITH THE DIRECTIONS FROM EXISTING RECORDS IN THE OFFICE OF RIGHT OF WAY ENGINEERING

Transbay Option Agreement

EXHIBIT A-3

DEPICTION OF THE AUTHORITY PARCELS

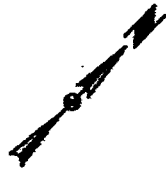
[see attached]

EXHIBIT MAPDECEMBER 2002
(REVISION: 4/02/03)

SCALE: NONE

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

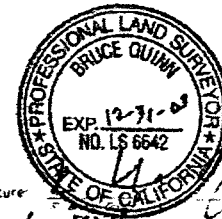
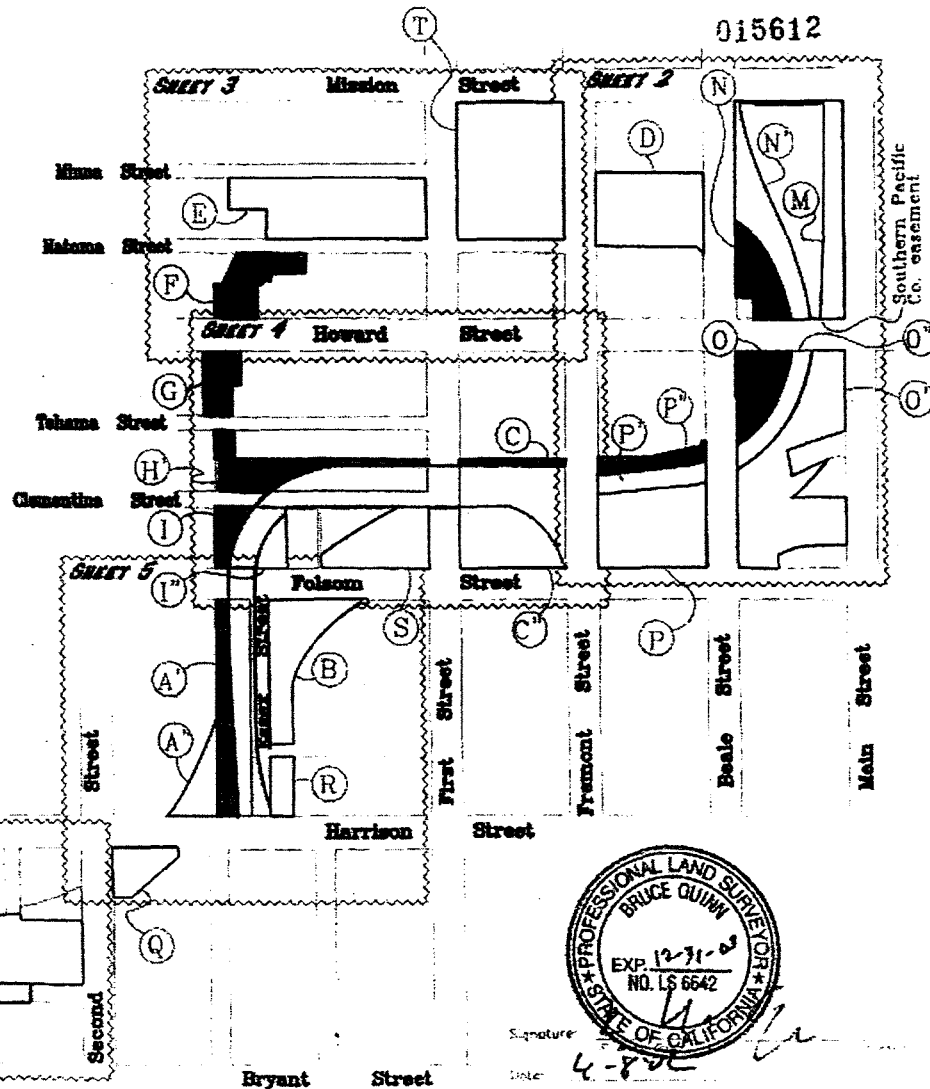
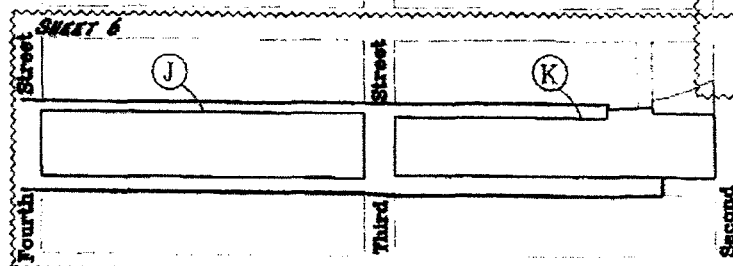
SHEET 1 OF 6



Parcels to Be Transferred to TJPA
PARCEL INFORMATION

PARCEL NO.	APN
A	3749-052
A'	3749-052
B	3749-054
C	3737-005, -012, -087
C'	3737-005, -012, -087
D	3719-003
E	3721-006
F	3721-015A
G	3738-089
H	3738-007
I	3738-018
J	3738-018
K	3762-004
L	3763-112
M	3718-087
N	3718-086
N'	3718-085
O	3738-008
O'	3738-008
P	3738-008
P'	3738-004
P''	3738-004
Q	3738-004
R	3764-068
S	3749-061
T	3736-120
	3720-001

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



Signature

Date

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

Transbay Option Agreement

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 O'
8. Parcel O"
9. Parcel P
10. Parcel P'
11. Parcel Q
12. Parcel R
13. Parcel S

The following Authority Parcels are 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"

Transbay Option Agreement

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)

Transbay Option Agreement

EXHIBIT C

LIST OF LEASES AND EASEMENTS

1. The leases described in Schedule 1 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.

Transbay Option 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			GGBTD	Bus Ops	GGBTD doesn't use the Transbay Terminal anymore
3	T					SamTrans		Using Crescent but no lease or agreement provided to TJPA
4	D,T	7770026-033-02	4/3/1989			Grayhound		Grayhound ticketing and package express
5	T	070026-0026-03	4/19/1991		M/M	AC Transit	Ticketing Counter	Amended 8/1/2001 to increase rent and space.
6	T,E,F	070026-0001 (002, 0	12/15/2006		till 12/31/07 then W/M	US Parking	Parking	All public parking within Transbay Terminal, outdoor lot on western end and State Parcel F (070026-0007-01) 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	070026-0016-03	7/9/2005			West Contra Costa Transit Authority	Bus Ops	
8	T	04-070026-0018-03	7/24/2003			Luis 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		M/M	Webcor Builders	Construction Staging	Lease for construction in strip adjacent to Millennium Tower Development
11	T	070026-0006-01	1/1/2001			US Parking		Lease at the Transbay Terminal Parcel F (070026-0007-01) lot underneath western bus ramp behind terminal.
12	T	7770026-017-01	4/19/1991			AC Transit		
13	T	070026-0023-01	10/18/2000					
14	T	04-070026-0018-03	12/23/2005					
15	T	070041-0005-02	1/1/1991					
16	T	7770026-0026-03	7/14/1991					
17	T	7770026-0001-01	7/1/1991					
18	T	7770026-033-01	2/1/1991					
Other State Parcels								
	City Parcel No.	State Account No.	Date	Lease Period	Lease Term	Lessee Name	Use	Comments
19	A						Bus and Passenger Ramps	
20	B	SFX-480-04	5/30/2000			642 Harrison, LLC.	Parking	Only Amendment No. 1 provided to TJPA - 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 till 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	9/1/2000	9/1/04-1/31/06			WASSP	
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	
27	N'	04-SFX480-0010-19	3/1/2003	3/1/3-3/31/03		West Coast Parking	Parking	Amendment to earlier lease.
28	N'	04-SFX-480-28(FLA)	10/1/1996	10/1/96-9/30/01		Beale Street Bar and Grill	Bar/Grill	
29	O,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 642 Harrison (long term lessee at State Parcel B now).
33	R							
34	S							

Transbay Option Agreement

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,
APPROVED AS TO FORM: a public body corporate and politic

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

Transbay Option Agreement

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.

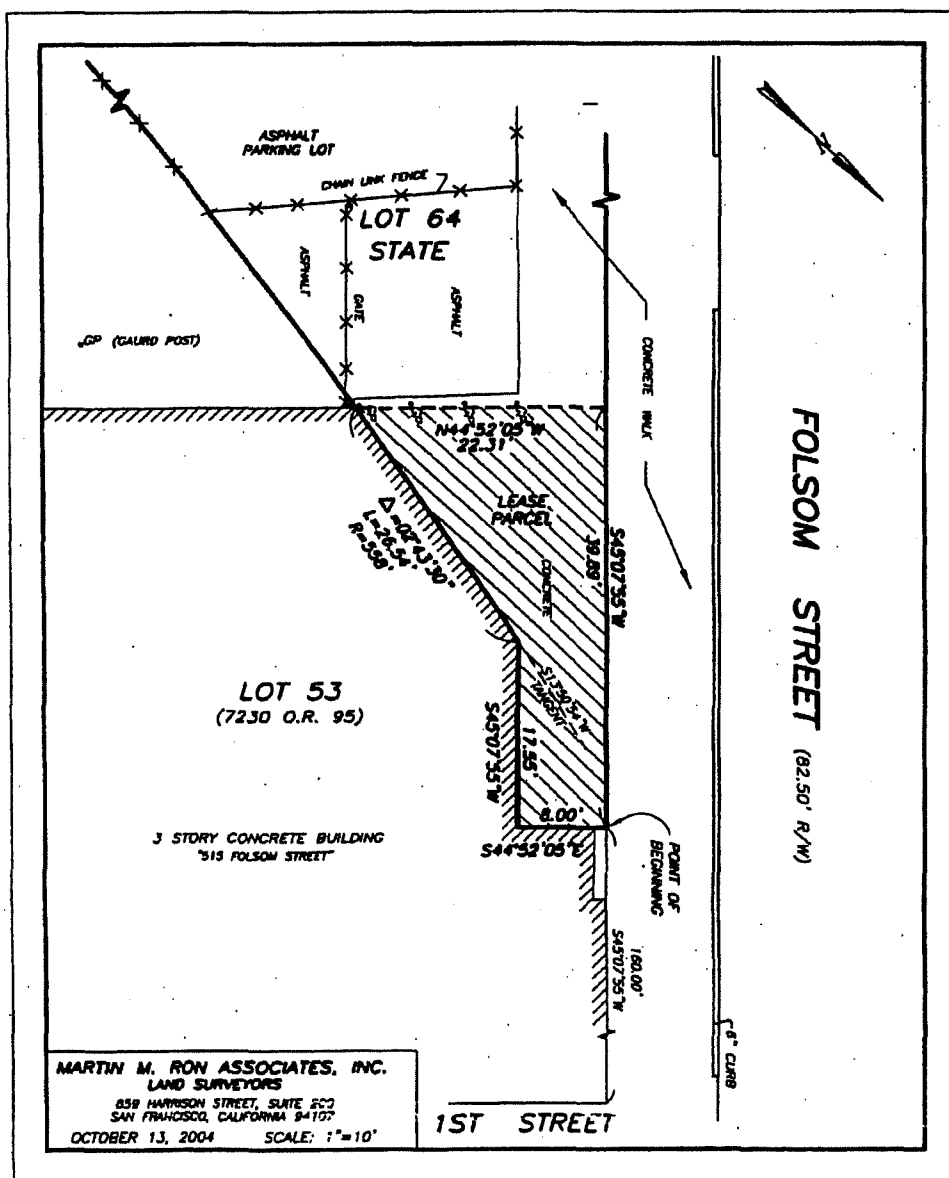
Signature _____ (Seal)

Transbay Option Agreement

SCHEDULE 1

SURVEY MAP, PARCEL B

(Section 4.1)



Attachment 3:
Agreement for Purchase and Sale of Real Estate

AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE

by and between

THE TRANSBAY JOINT POWERS AUTHORITY, a California joint powers agency,
as Seller

and

THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO,
as Buyer

For the sale and purchase of

Block 3739, Lots 002, 004, 006, and 007
San Francisco, California

[insert Effective Date of Agreement]

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AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE
(BLOCK 3739, LOTS 002, 004, 006, and 007, City and County of San Francisco)

THIS PURCHASE AND SALE AGREEMENT (“**Agreement**”) dated for reference purposes only as of _____, 2020 is by and between the TRANSBAY JOINT POWERS AUTHORITY, a California joint powers agency (“**TJPA**” or “**Seller**”), and THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, organized and existing under the laws of the State of California, commonly known as the Office of Community Investment and Infrastructure (“**Successor Agency**” or “**Buyer**”).

RECITALS:

A. In furtherance of the objectives of the Community Redevelopment Law of the State of California, the Redevelopment Agency of the City and County of San Francisco (“**Former Agency**”) undertook a program to redevelop and revitalize blighted areas in San Francisco and in connection therewith adopted a redevelopment project area known as the Transbay Redevelopment Project Area (“**Project Area**”).

B. The Board of Supervisors of the City and County of San Francisco (“**City**”), approved, by Ordinance No. 124-05 (June 21, 2005) and by Ordinance No. 99-06 (May 9, 2006), a Redevelopment Plan for the Project Area (“**Redevelopment Plan**”) and vested the Former Agency with the responsibility for carrying out the Redevelopment Plan.

C. The purpose of the Redevelopment Plan is to transform a blighted neighborhood into a high-density, transit-oriented neighborhood by, among other things: assembling lands within the Project Area, in particular State property remaining from the now-demolished Transbay Bus Terminal and associated highway on- and off-ramps (“**State-Owned Parcels**”); generating funding for public infrastructure improvements, including the construction of the new Transbay Transit Center; and providing a significant amount of new affordable housing consistent with statutory requirements that 35 percent of all new housing in the Project Area be permanently affordable to income-eligible households. Cal. Public Resources Code § 5027.1 (b) (“**Transbay Affordable Housing Obligation**”).

D. The TJPA was formed in 2001 as a joint powers agency to plan and construct the Transbay Transit Center to replace the former Transbay Bus Terminal, to serve Caltrain, high speed rail, and local and regional bus lines. By statute, the TJPA has exclusive control with respect to all matters concerning the financing, design, development, construction, and operation of the new Transbay Transit Center. Cal. Public Resources Code § 5027.1(a).

E. In 2003, the TJPA, the City, and the State, acting by and through its Department of Transportation (“**Caltrans**”), entered into a Cooperative Agreement, which sets forth the process for the transfer of the State-Owned Parcels to the TJPA and the City (“**Cooperative Agreement**”). In 2005, the TJPA and the Former Agency entered into the Transbay Redevelopment Project Implementation Agreement (“**Implementation Agreement**”) which requires the Former Agency to prepare and sell certain of the State-Owned Parcels and to implement the Redevelopment Plan, including the Transbay Affordable Housing Obligation. In 2008, the TJPA, the City and the Former Agency entered into a Transbay Redevelopment Project Tax Increment Allocation and Sales Proceeds Pledge Agreement (“**Pledge Agreement**”), which describes the City’s and the Former Agency’s irrevocable pledge to the TJPA of (i) net tax increment revenues attributable to all of the State-Owned Parcels, and (ii) Gross Sales Proceeds (as defined in the Pledge Agreement) from the conveyance of all or a portion of any State-Owned Parcel, for costs associated with construction and design of the Transbay Transit Center. In 2008, the TJPA, the City and the Former Agency entered into an Option Agreement for the Purchase and Sale of Real Property (“**Option Agreement**”), which sets forth the process for the transfer to the Former Agency of certain of the State-Owned Parcels and provides that the Gross Sales Proceeds 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.

F. On February 1, 2012, California law dissolved all redevelopment agencies, including the Former Agency, pursuant to California Health and Safety Code Sections 34170 et seq. (“**Redevelopment Dissolution Law**”). By operation of law, the assets and obligations of the Former Agency were transferred to Successor Agency.

G. On April 15, 2013, the California Department of Finance (“**DOF**”) finally and conclusively determined, under Cal. Health & Safety Code § 34177.5 (i), that the Pledge Agreement, Implementation Agreement and Transbay Affordable Housing Obligation are continuing enforceable obligations of Successor Agency under the Redevelopment Dissolution Law.

H. To permit the demolition of the former Transbay Bus Terminal and the construction of the new Transbay Transit Center, the TJPA constructed a temporary bus terminal on Transbay Blocks 2, 3, and 4 (“**Temporary Terminal**”) for bus service during the construction period. The Temporary Terminal site is bordered by Howard, Main, Folsom, and Beale Streets in the City and County of San Francisco. A portion of Transbay Blocks 2 and 3, and all of Transbay Block 4 consist of State-Owned Parcels (Assessor Parcel Block 3739, Lot 008), which the TJPA acquired from Caltrans pursuant to the Cooperative Agreement. The remainder of the land within Transbay Blocks 2 and 3 (Assessor Parcel Block 3739, Lots 002, 004, 006, and 007) was purchased by the TJPA from private owners in 2008 and is more particularly described in **Exhibit A**, attached hereto, which is incorporated herein by reference (“**Property**”). The Property is generally depicted on **Exhibit B**, attached hereto, which is incorporated by reference herein.

I. The assembly of the State-Owned Parcels and the Property is necessary for future development required under the Redevelopment Plan and the Development Controls and Design Guidelines for the Transbay Redevelopment Project. These land use controls require Transbay Block 3 (comprised of State-Owned Parcels and a portion of the Property) to be a “New Public Park” and a “New Street” and require Transbay Block 2 (comprised of State-Owned Parcels and a portion of the Property) to be a residential use and a “New Street.” See Zone One Plan Map (Exhibit 4) of the Redevelopment Plan.

J. Under the Redevelopment Plan, Pledge Agreement, Implementation Agreement, and Option Agreement, Successor Agency has been obligated, among other things, to assist the TJPA in funding the construction of the Transbay Transit Center and to fulfill the Transbay Affordable Housing Obligation. To maximize the proceeds and tax increment for the Transbay Transit Center during critical, early phases of its construction, Successor Agency deferred development of some affordable housing and open space and approved lucrative private development on certain State-Owned Parcels. The Successor Agency estimated that this approach of maximizing market-rate development in early stages of plan implementation generated over \$100 million more in sales proceeds than if Successor Agency had required the State-Owned Parcels (making up 8 redevelopment blocks) to each satisfy the Transbay Affordable Housing Obligation (by imposing 35% affordability for each project). Letter, Mark Zabaneh, TJPA, and Nadia Sesay, Successor Agency, to Bijan Sartipi, Caltrans, Re: Approval of Transfer and Relinquishments of Power of Termination for Certain Remaining Parcels under the Cooperative Agreement (Feb. 9, 2018).

K. The construction of the Transbay Transit Center started in 2010 and Phase One was completed in 2019. Following the completion of Phase One of the Transbay Transit Center, the TJPA closed the Temporary Terminal. As a result, the State-Owned Parcels within Transbay Blocks 2, 3, and 4 became available for acquisition by Successor Agency under the Option Agreement. The private parcels acquired by the TJPA and used for the Temporary Terminal, including the Property, also were no longer required by the TJPA.

L. The TJPA and Successor Agency jointly requested that Caltrans release its power of termination for the State-Owned Parcels within Transbay Block 2 and Transbay Block 3. Subsequently, Caltrans recorded a Notice of Exercise of Power of Termination and Objection to Recording of a Relinquishment of Power of Termination (“**Caltrans Notice**”) on the State-Owned Parcels within Transbay Blocks 2 and 3, effective January 1, 2024, unless prior to that date the TJPA, Successor Agency, or a successor in interest to those State-Owned Parcels causes the recordation of irrevocable declarations of site restrictions that require the completion of affordable housing and public park on Transbay Blocks 2 and 3, respectively, by January 1, 2028, and meet certain other conditions.

M. Concurrent with the transfer of the State-Owned Parcels (Assessor Parcel Block 3739, Lot 008) from the TJPA to Successor Agency under the Option Agreement, Successor Agency intends to record irrevocable declarations of site restrictions requiring the completion of affordable housing and a public park on Transbay Blocks 2 and 3, respectively, and, in

consideration thereof and consistent with the Caltrans Notice, Caltrans will relinquish its power of termination on those State-Owned Parcels.

N. Under this Agreement, the TJPA will sell, and Successor Agency will purchase, the Property concurrently with the transfer of the State-Owned Parcels in Transbay Block 2, Block 3 and Block 4 (Assessor Parcel Block 3739, Lot 008) under the Option Agreement. Successor Agency now desires to complete development on the State-Owned Parcels and the Property that is consistent with the Redevelopment Plan, Option Agreement and Transbay Affordable Housing Obligation.

O. Successor Agency retained Clifford Advisory Services to appraise the Property and has determined that the value of the Property is zero, as reflected in the appraisal report dated July 2, 2020 (“**Appraisal**”). The City Department of Real Estate has reviewed the appraisal instructions and confirmed by that certain letter dated June 25, 2020 that they are appropriate for the transaction and sale of the Property from the TJPA to Successor Agency.

ACCORDINGLY, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the TJPA and Successor Agency hereby agree as follows:

1. SALE AND PURCHASE

Subject to the terms, covenants and conditions set forth herein, the TJPA agrees to convey to Successor Agency, and Successor Agency agrees to accept from the TJPA, the Property, together with all improvements and fixtures located on or in the Property (including any and all buildings and structures located on or in the Property) and all of the TJPA’s rights, privileges, and easements incidental or appurtenant to the Property (including, without limitation, any and all minerals, oil, gas, and other hydrocarbon substances on and under the Property; any and all development rights, air rights, water, water rights, riparian rights, and water stock relating to the Property; and any and all of the TJPA’s right, title and interest in and to all roads and alleys adjoining or servicing the Property).

2. CONSIDERATION

2.1 Purchase Price.

The purchase price for the Property is Zero Dollars (\$0.00) (the “Purchase Price”). Successor Agency shall pay the Purchase Price on or before the Closing (as defined hereinbelow). Successor Agency shall deposit in escrow with Chicago Title Company, One Embarcadero Center, Suite 250, San Francisco (the “Title Company”), the Purchase Price and

all other sums payable by Successor Agency hereunder. All sums payable hereunder shall be paid in immediately available funds of lawful money of the United States of America.

2.2 Irrevocable Declaration of Restrictions.

As further consideration, Successor Agency shall provide an irrevocable declaration of restrictions for the benefit of the TJPA and the TJPA's adjacent property in the form of **Exhibit D-1** and **Exhibit D-2** ("**Declaration of Restrictions**"), to be recorded against the Property at Closing.

3. TITLE

3.1 Conditions of Title

At the Closing the TJPA shall convey, by quitclaim deed, in the form of **Exhibit C** attached hereto ("**Deed**"), the Property to Successor Agency. Title to the Property shall be subject to the following permitted conditions: (a) liens of local real estate taxes and assessments, (b) the April 14, 2020 license agreement between the TJPA and the City ("**City License Agreement**"), which, if still in effect, will be assigned to Successor Agency at Closing, (c) subject to Section 5.6, all other existing exceptions and encumbrances, whether or not disclosed by a current preliminary title report or the public records or any other documents reviewed by Successor Agency, and any other exceptions to title which would be disclosed by an accurate and thorough investigation, survey, or inspection of the Property, (d) matters affecting the State-Owned Parcels adjacent to the Property, including, without limitation, the right of State to terminate the interest in the State-Owned Parcels as described in the Caltrans Notice, and (e) all other items affecting the Property of which Successor Agency has actual or constructive notice or knowledge. All of the foregoing exceptions to title shall be referred to collectively as the "**Conditions of Title.**" Without limiting the foregoing, Successor Agency acknowledges receipt of preliminary reports issued by the Title Company under Order Nos. 15605868-156-TJK-JM, 15605869-156-TJK-JM, 15605870-156-TJK-JM, and 15605871-156-TJK-JM, dated May 15, 2019, as may be updated prior to closing, covering the Property (collectively, "**Title Reports**") and approves all of the exceptions contained therein.

3.2 Buyer's Responsibility for Title Insurance

Successor Agency understands and agrees that the right, title and interest in the Property shall not exceed that vested in the TJPA, and the TJPA is under no obligation to furnish any policy of title insurance in connection with this transaction. Successor Agency recognizes that any fences or other physical monument of the Property's boundary lines may not correspond to the legal description of the Property. The TJPA 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 Successor Agency's sole responsibility to obtain a survey from an independent surveyor and a policy of title insurance from a title company, if desired.

4. REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Seller

The TJPA represents and warrants to and covenants with Successor Agency as of the Effective Date and as of the Closing Date:

(a) The TJPA is organized and existing under the laws of California, in good standing in California and has all requisite power and authority to execute and deliver this Agreement. Any option, right of first refusal, right of first opportunity or similar right granted to or in favor of any third party to acquire fee title in any portion of the Property shall be unconditionally terminated, released and discharged on or before the Closing Date. Persons signing this Agreement for the TJPA have all requisite power and legal authority to do so.

(b) There are now, and at the time of Closing will be, no leases or other occupancy agreements to which the TJPA is a party affecting any of the Property that have not been disclosed to Successor Agency. To the TJPA's knowledge, there are no pending or threatened suits or proceedings to which the TJPA is a party, or any undischarged judgments against the TJPA, before any court, governmental agency, or arbitrator which might materially adversely affect the enforceability of this Agreement, or the ability of the TJPA to perform the transactions contemplated by this Agreement.

4.2 Representation and Warranties of Buyer

Successor Agency represents and warrants to and covenants with the TJPA as of the Effective Date and as of the Closing Date: Successor Agency has all requisite power and authority to execute and deliver this Agreement and carry out and perform all of the terms and covenants of this Agreement. Persons signing this Agreement for Successor Agency have all requisite power and legal authority to do so.

4.3 Buyer's Independent Investigation

(a) Successor Agency represents and warrants to and covenants with the TJPA that Successor Agency has performed a diligent and thorough inspection and investigation of each and every aspect of the Property, either independently or through Agents of Successor Agency's choosing ("**Property Conditions**"), including without limitation all matters relating to title, access, survey matters, applicable laws, regulations, permit requirements, restrictions, covenants, taxes, assessments, the physical condition of the Property (including the presence of any Hazardous Materials), suitability for intended uses, economics, and development potential. Except as expressly stated in Section 4.1, the TJPA makes no representations or warranties

whatever with respect to the Property Conditions, which Successor Agency accepts at its sole risk.

(b) On April 20, 2004, a Final Environmental Impact Statement/Environmental Impact Report was certified by the City, the Former Agency, and the Peninsula Corridor Joint Powers Board. Any subsequent development of the Property shall be subject to Successor Agency's completion of any environmental review required under the California Environmental Quality Act, as reasonably determined by Successor Agency.

4.4 Hazardous Substance Disclosure

(a) **"Hazardous Material"** means any material that, because of its quantity, concentration, or physical or chemical characteristics, is deemed by any federal, state, or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. Hazardous Material includes any material or substance defined as a "hazardous substance," or "pollutant," or "contaminant" under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601 *et seq.*), or under Section 25281 or 25316 of the California Health & Safety Code; any "hazardous waste" as defined in Section 25117 or listed under Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether such materials are part of the structure of any existing improvements on the Property or are naturally occurring substances on, in or about the Property; and petroleum, including crude oil or any fraction, and natural gas or natural gas liquids.

(b) California law requires sellers to disclose to buyers the presence or potential presence of certain Hazardous Materials. Accordingly, Successor Agency is hereby advised that occupation of the Property may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel and other vehicle fluids, vehicle exhaust, office maintenance fluids, tobacco smoke, methane and building materials containing chemicals, such as formaldehyde. Successor Agency accepts at its sole risk these and any other known or unknown Hazardous Materials that may be present in, on, under, above or about the Property.

(c) This Section 4.4 shall survive the Closing.

4.5 Entry and Indemnity

Successor Agency is hereby granted the right to access the Property prior to the Closing for the purpose of obtaining data and making surveys and tests necessary for its acceptance of the Property; provided, however, that such right to enter shall be subject to, and shall not be in conflict with, the TJPA's obligations under the City License Agreement. In connection with any entry by Successor Agency or its Agents onto the Property, Successor Agency shall give the

TJPA 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 Property and otherwise in a manner and on terms and conditions acceptable to the TJPA. All entries by Successor Agency or its Agents onto the Property to perform any testing or other investigations which could affect the physical condition of the Property (including, without limitation, soil borings) or the uses thereof will be made only pursuant to the terms and conditions of a permit to enter in form and substance satisfactory to the TJPA, including as to insurance and indemnity provisions. Without limiting the foregoing, prior to any entry to perform any on-site testing, Successor Agency shall give the TJPA written notice thereof, including the identity of the company or persons who will perform such testing, the precise time and location of the testing, and the proposed scope of the testing. The TJPA shall have the right to approve, disapprove, or condition and limit the proposed testing, in the TJPA's sole discretion, within ten (10) business days after receipt of such notice and subject to any additional notice requirements of any existing leases on the Property. If Successor Agency or its Agents take any sample from the Property in connection with any approved testing, Successor Agency shall provide to the TJPA a portion of such sample being tested to allow the TJPA, if it so chooses, to perform its own testing. The TJPA or its representative may be present to observe any testing or other inspection performed on the Property. Successor Agency shall promptly deliver to the TJPA copies of any reports relating to any testing or other inspection of the Property performed by Successor Agency or its Agents. Successor Agency shall comply with all laws, ordinances, rules, regulations, orders and the like in connection with any entry onto or testing of the Property.

Successor Agency shall maintain, and shall require that its Agents maintain, public liability and property damage insurance in amounts and in form and substance adequate to insure against all liability of Successor Agency and its Agents, arising out of any entry or inspection of the Property in connection with the transaction contemplated hereby, and Successor Agency shall provide the TJPA with evidence of such insurance coverage prior to entry on the Property.

To the fullest extent permitted under law, Successor Agency shall indemnify, defend and hold harmless the TJPA, its Agents, and each of them, from and against any liabilities, costs, damages, losses, liens, claims and expenses (including, without limitation, reasonable fees of attorneys, experts and consultants and related costs) arising out of or relating to any entry on, under or about the Property by Successor Agency and/or its Agents or their activities during any entry on, under, or about the Property 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, Successor Agency's Agents) and damage to any property, from any cause whatsoever. The foregoing indemnity shall survive the Closing, or, if the sale is not consummated, the termination of this Agreement.

4.6 “As-Is” Purchase

SUCCESSOR AGENCY SPECIFICALLY ACKNOWLEDGES AND AGREES THAT THE TJPA IS SELLING AND SUCCESSOR AGENCY IS PURCHASING THE TJPA’S INTEREST IN THE PROPERTY ON AN “AS-IS WITH ALL FAULTS” BASIS. SUCCESSOR AGENCY IS RELYING SOLELY ON ITS INDEPENDENT INVESTIGATION AND NOT ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM THE TJPA OR ITS AGENTS AS TO ANY MATTERS CONCERNING THE PROPERTY, ITS SUITABILITY FOR SUCCESSOR AGENCY’S INTENDED USES OR ANY OF THE PROPERTY CONDITIONS. THE TJPA DOES NOT GUARANTEE THE LEGAL, PHYSICAL, GEOLOGICAL, ENVIRONMENTAL OR OTHER CONDITIONS OF THE PROPERTY, NOR DOES IT ASSUME ANY RESPONSIBILITY FOR THE COMPLIANCE OF THE PROPERTY OR ITS USE WITH ANY STATUTE, ORDINANCE, RESOLUTION OR REGULATION. IT IS SUCCESSOR AGENCY’S SOLE RESPONSIBILITY TO DETERMINE ALL BUILDING, PLANNING, ZONING AND OTHER REGULATIONS RELATING TO THE PROPERTY AND THE USES TO WHICH IT MAY BE PUT. SUCCESSOR AGENCY AGREES THAT NEITHER THE TJPA NOR ANY OF ITS AGENTS HAVE MADE, AND GRANTOR DISCLAIMS, ANY REPRESENTATION OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY CONDITIONS.

4.7 Release and Indemnification of the TJPA

As part of its agreement to purchase the Property in its “As-Is With All Faults” condition, Successor Agency, on behalf of itself and its successors and assigns, waives any right to recover from, and forever releases and discharges, the TJPA, its Agents, and their respective heirs, successors, legal representatives and assigns, 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 (collectively, “**Losses**”), and agrees to indemnify, protect, defend, and hold harmless the TJPA and the TJPA’s Agents from and against any and all Losses, that may arise on account of or in any way be connected with (i) this transaction (including without limitation any costs arising from litigation challenging this Agreement, the approval thereof, or the transaction contemplated hereunder, which the TJPA shall have no obligation to defend), (ii) Successor Agency’s and its Agents’ future use of the Property, and (iii) the physical, geological or environmental condition of the Property, including, without limitation, any Hazardous Material in, on, under, above or about the Property. The foregoing does not, however, release or require indemnification against the TJPA for: (A) any claims by third parties (or any right of Successor Agency to seek indemnity or contribution for such third party claims) that arise (A) from a personal injury or any damage occurring prior to the Closing Date (“**Transfer of Possession Date**”), including any claims arising from a Hazardous Material released by the TJPA in, on, under, above, or about the Property where the alleged injury develops and manifests prior to the Transfer of Possession Date, but excluding all

other claims arising from any Hazardous Material, or (B) any claims by Successor Agency resulting from the breach of this Agreement by the TJPA.

In connection with the foregoing release, Successor 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 THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN TO HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

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

INITIALS: SUCCESSOR AGENCY: _____

The foregoing release and indemnity shall survive the Closing.

5. ESCROW AND CLOSING

5.1 Escrow

Within ten (10) days after the Effective Date (as defined in Section 8.16 below), Successor Agency and the TJPA 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 purchase and sale contemplated hereby. The TJPA and Successor 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; provided, however, in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement shall control.

5.2 TJPA's Conditions Precedent

The following are conditions precedent to the TJPA's obligation to sell the Property to Successor Agency ("**TJPA's Conditions Precedent**"):

- (a) Successor Agency shall have performed all of its obligations hereunder.
- (b) All of Successor Agency's representations and warranties shall be true and correct.
- (c) Successor Agency shall have deposited into escrow the entirety of the Purchase Price and all other funds and documents required to be deposited by Successor Agency under Section 5.8.
- (d) The parties shall have closed escrow under the Option Agreement on the transfer of the State-Owned Parcels lying within Transbay Block 2, Block 3 and Block 4, prior to or concurrently with the Closing.

5.3 Failure of the TJPA's Conditions Precedent

Each of the TJPA's Conditions Precedent is intended solely for the benefit of the TJPA. If any of the TJPA's Conditions Precedent are not satisfied as provided above by the Closing Date, the TJPA may, at its option, terminate this Agreement.

5.4 Successor Agency's Conditions Precedent

The following are conditions precedent to Successor Agency's obligation to purchase the Property from the TJPA ("**Successor Agency's Conditions Precedent**"):

- (a) The TJPA shall have performed all of its obligations hereunder.
- (b) All of the TJPA's representations and warranties shall be true and correct.
- (c) The TJPA shall have deposited into escrow all of the documents required to be deposited by the TJPA under Section 5.8.
- (d) Issuance by Title Company (or agreement of Title Company to issue upon payment by Successor Agency of all required premiums) of a CLTA Owner's policy or, at Successor Agency's option, an ALTA extended coverage Owner's Policy of Title Insurance (Form B-1970 or equivalent satisfactory to Successor Agency) insuring Successor Agency as owner of fee simple title to the Property, for a face amount equal to the _____, plus all closing costs, subject only to the exceptions and exclusions contained in such policy and

permitted as Conditions of Title under Section 3.1 hereof, and including such endorsements as Successor Agency may reasonably request.

(e) The absence of any condemnation, environmental or other pending formal governmental proceedings in respect of the Property which would materially and adversely affect Successor Agency's intended uses of the Property or the value of the Property.

(f) The absence of any pending or threatened legal challenge to this Agreement.

(g) Caltrans shall have deposited with Title Company into an escrow account for the State-Owned Parcels the following:

(i) One (1) duly executed counterpart Declaration of Site Restrictions for the Relinquishment of Power of Termination for the Transbay Block 2 portion and Block 3 portion of the Caltrans Parcel ("**DOSR**").

(ii) Duly executed and acknowledged Caltrans Relinquishment of Power of Termination Quitclaim Deeds for the Transbay Block 2 portion and Block 3 portion of the Caltrans Parcel ("**Caltrans Relinquishment**"); and

(iii) Escrow instructions from Caltrans to Title Company authorizing Title Company to record the Caltrans Relinquishment in the Official Records of the City and County of San Francisco immediately following, and subject only to, the recordation of the DOSR.

(h) The TJPA shall have complied with all of the TJPA's obligations under the Option Agreement pertaining to the transfer of the State-Owned Parcels lying within Transbay Block 2, Block 3 and Block 4, prior to or concurrently with the Closing.

5.5 Failure of Successor Agency's Conditions Precedent

Each of Successor Agency's Conditions Precedent is intended solely for the benefit of Successor Agency. If any of Successor Agency's Conditions Precedent are not satisfied as provided above by the Closing Date, Successor Agency may, at its option, terminate this Agreement.

5.6 [intentionally omitted]Error! Bookmark not defined.

5.7 Closing Date

The closing hereunder (“**Closing**”) shall be held, and delivery of all items to be made at the Closing under the terms of this Agreement shall be made, at the offices of the Title Company on the date 180 days after the date on which the TJPA Board approves the Agreement, or such other date and time as Successor Agency and the TJPA may mutually agree upon in writing (the “**Closing Date**”). The Closing Date may not be extended without the prior written approval of both the TJPA and Successor Agency.

5.8 Deposit of Documents and Funds

(a) At or before the Closing, the TJPA shall deposit into escrow the following items:

(i) a certified copy of the resolution authorizing and approving TJPA’s conveyance of the Property to Successor Agency in accordance with this Agreement duly adopted by the TJPA’s Board of Directors;

(ii) the duly executed and acknowledged Deed conveying TJPA’s interest in the Property to Successor Agency subject to the Conditions of Title;

(iii) a duly executed and notarized counterpart of the Declarations of Restrictions;

(iv) a duly executed counterpart of an assignment and assumption agreement for the City License Agreement, if applicable;

(v) an original executed Transfer Tax Affidavit; and

(vi) a closing statement, acceptable to Successor Agency, executed by the TJPA’s Executive Director or designee.

(b) At or before the Closing, Successor Agency shall deposit into escrow the following items:

(i) a certified copy of the resolution authorizing and approving Successor Agency's purchase of the Property from the TJPA in accordance with this Agreement duly adopted by the Successor Agency's Commission;

(ii) the Purchase Price and all other funds necessary to close this transaction;

(iii) the duly executed original of the Successor Agency's Certificate of Acceptance of the Property to be attached to and recorded with the Deed;

(iv) a duly executed and notarized Declarations of Restrictions;

(v) a duly executed counterpart of an assignment and assumption agreement for the City License Agreement, if applicable;

(vi) an original executed Preliminary Change of Ownership Report;
and

(vii) a closing statement, acceptable to the TJPA, executed by Successor Agency's Development Services Manager.

(c) The TJPA and Successor 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 of the Property in accordance with the terms hereof.

(d) The TJPA shall deliver to Successor Agency a set of keys to the Property, if any, no later than the Closing Date.

5.9 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 Property, shall all be prorated as of 12:01 a.m. on the date the Deed is recorded, on the basis of a three hundred sixty-five (365)-day year. The TJPA and Successor 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.

5.10 Loss

(a) The TJPA shall give Successor Agency notice of the occurrence of damage or destruction of, or the commencement of condemnation proceedings affecting, all or

any portion of the Property. In the event that all or any portion of the Property is condemned, or destroyed, or damaged by fire or other casualty prior to the Closing, then Successor Agency may, at its option to be exercised within ten (10) days of the TJPA's notice of the occurrence of the damage or destruction or the commencement of condemnation proceedings, terminate this Agreement. If Successor Agency fails to give the TJPA notice within such ten (10)-day period that Successor Agency will terminate this Agreement, then Successor Agency shall be deemed to have elected not to terminate and the parties shall proceed to Closing pursuant to the terms of this Agreement.

5.11 Monetary Encumbrances; New Contracts Affecting the Property; Termination of Existing Contracts.

(a) After the Effective Date, the TJPA shall not enter into any new lease, license, or occupancy agreement, or any amendment of an existing lease, license, or occupancy agreement, affecting the Property which has a term longer than thirty (30) days in duration without the prior written consent of Successor Agency, which consent shall not be unreasonably withheld, conditioned, or delayed. If the TJPA enters into any such lease, license, or occupancy agreement, the TJPA shall deliver to Successor 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 City License Agreement, which, if still in effect, shall be assigned by the TJPA to Successor Agency at Closing, the TJPA shall terminate prior to the Closing, at no cost or expense to Successor Agency, any and all of the TJPA's management agreements, leases, contracts that permit any third party to enter on or use the Property or other occupancy agreements affecting the Property that Successor Agency does not agree to assume in writing prior to the Closing.

6. EXPENSES

6.1 Expenses

Successor Agency shall pay any transfer taxes applicable to the sale, personal property taxes, escrow fees, title insurance premiums, survey, and recording charges and any other costs and charges of the escrow for the sale.

6.2 Brokers

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 Successor Agency or the TJPA, 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 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 the Closing, or, if the purchase and sale is not consummated for any reason, any termination of this Agreement.

7. DEFAULT AND 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 will make written demand for performance. If either party fails to comply with such written demand within ten (10) days after receipt thereof, the party claiming default will have the option to waive such default, to demand specific performance or to terminate this Agreement. The parties shall not be entitled to damages of any kind (excepting monies required to be paid under this Agreement, including without limitation any indemnification obligation), and hereby waive any claim thereto. The remedies provided in this Section are in addition to, and cumulative with, any other remedies provided in this Agreement.

On any termination prior to Closing provided for in this Agreement, the parties will be discharged from any further obligations and liabilities under this Agreement, except as otherwise provided in Sections 4.5 (Entry and Indemnity), 6.2 (Brokers), or 8.4 (Authority of Parties), or as otherwise expressly provided herein.

8. GENERAL PROVISIONS

8.1 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:

TJPA:

Transbay Joint Powers Authority
425 Mission Street, Suite 250
San Francisco, CA 94105
Attn: Executive Director

with a copy to:

Shute, Mihaly & Weinberger, LLP
396 Hayes Street
San Francisco, CA 94110
Attn: William J. White

SUCCESSOR 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
Attn: Nadia Sesay
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 94102
Attn: James Morales,
General Counsel

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.

8.2 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. Successor Agency's rights and obligations hereunder shall not be assignable without the prior written consent of the TJPA; provided, however, even if the TJPA approves any such proposed assignment, in no event shall Successor Agency be released of any of its obligations hereunder.

8.3 Amendments

This Agreement may be amended or modified only by a written instrument signed by Successor Agency and the TJPA.

8.4 Authority of Parties

Successor Agency and the TJPA each represent and warrant to the other that this Agreement and all documents executed by each party which are to be delivered to the other party at Closing: (a) are or at the time of Closing will be duly authorized, executed and delivered by such party; (b) are or at the time of Closing will be legal, valid and binding obligations of such party; and (c) do not and at the time of Closing will not violate any provision of any agreement or judicial order to which such party is a party or to which such 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.

8.5 Governing Law

This Agreement shall be governed by, subject to, and construed in accordance with the laws of the State of California. Venue for all actions or proceedings arising directly or indirectly under this Agreement shall be in the City and County of San Francisco, California.

8.6 Merger of Prior Agreements

This Agreement, together with the exhibits hereto, contain any and all representations, warranties and covenants made by Successor Agency and the TJPA 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.

8.7 Parties and Their Agents

As used herein, the term “**Agents**” when used with respect to either party shall include the agents, employees, officers, board, commission, board members, commissioners, contractors, subcontractors, and representatives of such party.

8.8 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.

8.9 Attorneys' Fees

If either 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 TJPA 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 TJPA attorneys' 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 TJPA's attorneys' office.

8.10 Time of Essence

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

8.11 No Merger

The obligations contained herein shall not merge with the transfer of title to the Property but shall remain in effect until fulfilled.

8.12 Non-Liability of Officials, Employees and Agents of the TJPA and Successor Agency

Notwithstanding anything to the contrary in this Agreement, no Agent of the TJPA shall be personally liable to Successor Agency, its successors and assigns, in the event of any default or breach by the TJPA or for any amount which may become due to Successor Agency, its successors and assigns, or for any obligation of the TJPA under this Agreement.

Notwithstanding anything to the contrary in this Agreement, Agent of Successor Agency shall be personally liable to the TJPA, its successors and assigns, in the event of any default or

breach by Successor Agency or for any amount which may become due to the TJPA, its successors and assigns, or for any obligation of Successor Agency under this Agreement.

8.13 Public Records

Successor Agency and the TJPA understand and agree that under the State Public Records Law (Gov. Code Section 6250 et seq.) and Successor Agency Public Records Policy, this Agreement and any and all records, information, and materials submitted to the TJPA and Successor Agency hereunder are public records subject to public disclosure.

8.14 No Joint Venture

The relationship between the TJPA and Successor Agency hereunder is solely that of transferor and transferee. None of the terms or provisions hereof shall be deemed to create a partnership between the TJPA and Successor Agency, nor shall it cause them to be considered joint venturers or members of any joint enterprise.

8.15 No Recording

Neither this Agreement nor any memorandum or short form thereof may be recorded by Buyer.

8.16 Effective Date; Termination

As used herein, the term “**Effective Date**” shall mean the date on which the Agreement has been fully executed by both parties, following the authorization by the TJPA Board of Directors and the Successor Agency Commission approving and authorizing this Agreement and the transactions contemplated hereby. If the Agreement has not been fully executed within sixty (60) days of its approval by the TJPA Board of Directors, the Agreement shall be void and of no force or effect, unless the Parties otherwise agree in writing.

8.17 Counterparts; Electronic Signatures

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Unless otherwise prohibited by law, the parties agree and intend that an electronic copy of the signed Agreement and an electronically signed Agreement has the same force and legal effect as if the Agreement had been executed with an original ink signature.

8.18 Non-Waiver

No waiver made by a party with respect to the performance, or manner or time of performance, or any obligation of another party or any condition to its own obligation under this Agreement will be considered a waiver with respect to the particular obligation of the party or condition to its own obligation beyond those expressly waived to the extent of such waiver, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of the other party.

8.19 No Third-Party Beneficiaries

The parties intend that the rights, obligations, and covenants in this Agreement shall be exclusively enforceable by the parties. There are no third-party beneficiaries to this Agreement.

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

SELLER:

THE TRANSBAY JOINT POWERS
AUTHORITY, a California joint powers
agency

By: _____
Mark Zabaneh
Executive Director

APPROVED AS TO FORM:

SHUTE, MIHALY & WEINBERGER LLP

By: _____
WILLIAM J. WHITE
Attorneys for the TJPA

Transbay Joint Powers Authority
Board of Directors

Resolution

No.: _____

Adopted: _____

Attest: _____

Secretary, TJPA Board

BUYER:

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN
FRANCISCO, a public body, organized and
existing under the laws of the State of
California

By: _____
Nadia Sesay
Executive Director

APPROVED AS TO FORM

By: _____
JAMES B. MORALES,
General Counsel

Chicago Title Insurance Company agrees to act as Escrow Agent in accordance with the terms of this Agreement and to act as the “reporting person” for the transaction pursuant to Section 6045(e) of the Federal Tax Code and the regulations promulgated thereunder. Chicago Title Insurance Company’s failure to execute below shall not invalidate this Agreement .

ESCROW AGENT:

CHICAGO TITLE INSURANCE COMPANY

By: _____

Its: _____

Date: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

All that certain real property located in the City and County of San Francisco, State of California, described as follows:

EXHIBIT A

LEGAL DESCRIPTION

CITY OF SAN FRANCISCO

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 (6353 OR 393), SAID LINE BEING THE SOUTHWESTERLY LINE OF MAIN STREET, DISTANT THEREON SOUTH 44° 52' 05" EAST, 15.66 FEET FROM THE MOST NORTHERLY CORNER OF SAID PARCEL 2; THENCE SOUTH 45° 07' 55" WEST, 141.79 FEET; THENCE FROM A TANGENT THAT BEARS NORTH 6° 23' 50" EAST, 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 NORTH 3° 24' 20" EAST, 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; NORTH 20° 07' 32" EAST, 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 393), SAID NORTHEASTERLY LINE BEING THE SAID SOUTHWESTERLY LINE OF MAIN STREET, SOUTH 44° 52' 05" EAST, 100.72 FEET TO THE POINT OF COMMENCEMENT.

EXCEPTING FROM THE PORTION THEREOF NOT A PART OF SAID PARCEL 2, THE TITLE AND EXCLUSIVE RIGHT TO ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID PROPERTY, OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS AND OTHER HYDROCARBON SUBSTANCES, AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE RIGHT OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AND TO MAKE SUCH USE OF SAID PROPERTY BENEATH THE SURFACE AS IS NECESSARY OR USEFUL IN CONNECTION THEREWITH, WHICH USE MAY INCLUDE LATERAL OR SLANT DRILLING, BORING, DIGGING OR SINKING OF WELLS, SHAFTS OR TUNNELS; BUT

LEGAL DESCRIPTION

(CONT.)

WITHOUT THE RIGHT TO DRILL, DIG OR MINE THROUGH THE SURFACE OF SAID PROPERTY IN THE EXERCISE OF SAID RIGHTS, AND WITHOUT THE RIGHT TO DISTURB THE SURFACE OF SAID LAND, OR OTHERWISE DEVELOP THE SAME IN SUCH MANNER AS TO ENDANGER THE SAFETY OF ANY HIGHWAY STRUCTURES THAT MAY BE CONSTRUCTED ON SAID PROPERTY, AS EXCEPTED IN THE DEED FROM SOUTHERN PACIFIC RAILROAD COMPANY, A CORPORATION, TO STATE OF CALIFORNIA, DATED APRIL 25, 1955, RECORDED APRIL 10, 1956 (6822 OR 127).

LOT 006, BLOCK 3739

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

CITY OF SAN FRANCISCO

COMMENCING AT A POINT ON THE SOUTHWESTERLY LINE OF MAIN STREET, DISTANT THEREON SOUTH 44° 52' 05" EAST, 199.60 FEET FROM THE SOUTHEASTERLY LINE OF HOWARD STREET; THENCE SOUTH 26° 45' 45" WEST, 159 FEET; THENCE SOUTH 63° 14' 15" EAST, 68.00 FEET; THENCE NORTH 20° 07' 32" EAST, 102.22 FEET; THENCE NORTHEASTERLY ALONG A TANGENT CURVE TO THE RIGHT WITH A RADIUS OF 40 FEET, THROUGH AN ANGLE OF 54° 52' 58", AN ARC LENGTH OF 38.32 FEET TO THE AFORESAID LINE OF MAIN STREET; THENCE ALONG LAST SAID LINE, NORTH 44° 52' 05" WEST, 73.00 FEET TO THE POINT OF COMMENCEMENT.

LOT 002, BLOCK 3739.

ATTACHMENT A

CITY OF SAN FRANCISCO

BEGINNING 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 SOUTH 44° 52' 05" EAST, 81.00 FEET FROM THE MOST NORTHERLY CORNER OF SAID PARCEL 1; THENCE SOUTH 45° 07' 55" WEST, 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 SOUTH 44° 52' 05" EAST, 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, NORTH 45° 07' 55" EAST, 155.00 FEET TO SAID NORTHEASTERLY LINE OF PARCEL 1; THENCE ALONG LAST SAID LINE, NORTH 44° 52' 05" WEST, 56.50 FEET TO THE POINT OF BEGINNING.

LOT 004, BLOCK 3739

CITY OF SAN FRANCISCO

BEGINNING 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, NORTH 44° 52' 05" WEST, 40.99 FEET TO THE MOST WESTERLY CORNER OF SAID PARCEL; THENCE SOUTH 22° 01' 25" WEST, 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, SOUTH 44° 52' 05" 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, NORTH 45° 07' 55" EAST, 20.00 FEET TO THE POINT OF BEGINNING.

LOT 007, BLOCK 3739

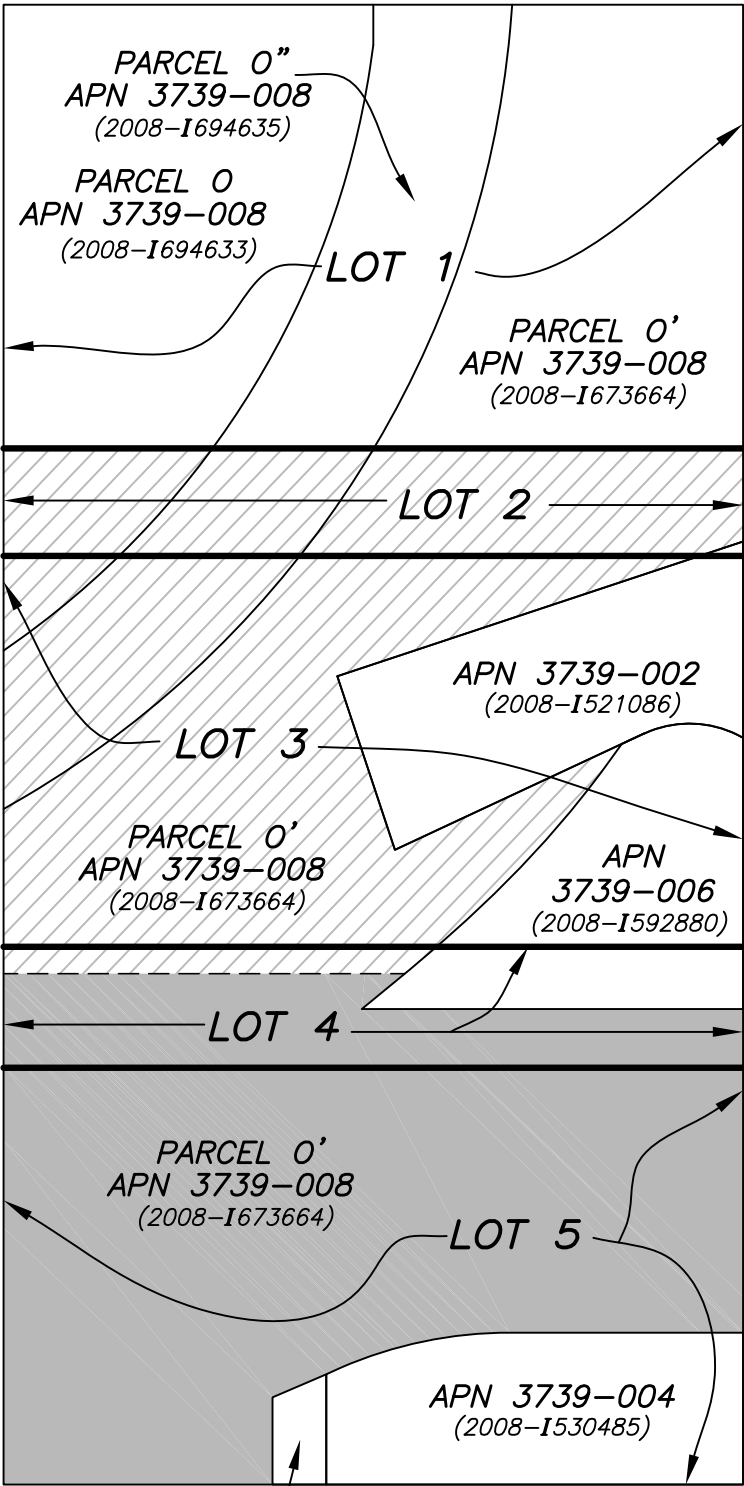
EXHIBIT B

ILLUSTRATIVE PLAT OF THE PROPERTY

HOWARD STREET



BEALE STREET



MAIN STREET

LOT NOTE
LOTS 1-5 SHOWN HEREON ARE FUTURE LOTS TO BE CREATED BY FINAL TRANSFER MAP 10327

- LEGEND**
- APN ASSESSOR'S PARCEL NUMBER
 - BLOCK/EXISTING LOT LINE
 - FUTURE LOT LINE
 - AREA COVERED BY POWER OF TERMINATION DOCUMENT (2018-K671709)
 - AREA COVERED BY POWER OF TERMINATION DOCUMENT (2018-K671710)

FUTURE LOT	PROPOSED USE
2	PUBLIC STREET
3	PARK
4	PUBLIC STREET
5	AFFORDABLE HOUSING

APN 3739-007 (2008-I530485) FOLSOM STREET

SUBJECT: **EXHIBIT B**

BY DR CHKD. DR DATE 7-10-20 NOT TO SCALE SHEET 1 OF 1 JOB NO. S-9847

MARTIN M. RON ASSOCIATES, INC.
LAND SURVEYORS

859 HARRISON STREET
SAN FRANCISCO, CA. 94107
(415) 543-4500

EXHIBIT C

FORM OF QUITCLAIM DEED

WHEN RECORDED RETURN TO:

Office of Community Investment and
Infrastructure
One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: Executive Director

MAIL TAX STATEMENTS TO:

Same as above.

**The undersigned hereby declares this
instrument to be exempt from
Documentary Transfer Tax (CA Rev. &
Tax Code §11922 and S.F. Bus. & Tax Reg
Code § 1105) and recording fees per
Government Code §27383 and §27388.1.**

APN: Block 3739, Lots 002, 004, 006, and 007

Space Above for Recorder's Use

QUITCLAIM DEED

FOR GOOD AND VALUABLE CONSIDERATION, receipt and adequacy of which are hereby acknowledged, the TRANSBAY JOINT POWERS AUTHORITY, a California joint powers agency, ("**TJPA**"), pursuant to Resolution No. _____, adopted by the TJPA Board of Directors on _____, 20__, does hereby

RELEASE, REMISE AND QUITCLAIM to SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, organized and existing under the laws of the State of California, and its successors and assigns, any and all right, title and interest the TJPA 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, together with any and all rights, privileges, easements incidental or appurtenant thereto, and any improvements constructed on the Property.

IN WITNESS WHEREOF, the TJPA has executed this instrument as of the _____
day of _____, 20__.

THE TRANSBAY JOINT POWERS
AGENCY, a California joint powers agency

By: _____

Mark Zabaneh
Executive Director

APPROVED AS TO FORM:

SHUTE MIHALY & WEINBERGER, LLP

By: _____

William J. White
Attorneys for the TJPA

[Legal description, acceptance, and acknowledgement to be attached to final deed]

EXHIBIT D-1

FORM OF DECLARATION OF SITE RESTRICTIONS – TRANSBAY BLOCK 2

WHEN RECORDED RETURN TO:

Transbay Joint Powers Authority
 425 Mission St., Suite 250
 San Francisco, CA 94105
 Attn: Executive Director

The undersigned hereby declares this instrument to be exempt from Documentary Transfer Tax (CA Rev. & Tax Code §11922 and S.F. Bus. & Tax Reg Code § 1105) and recording fees per Government Code §27383 and §27388.1.

APN: Block 3739, Lots 004 and 007

Space Above for Recorder's Use Only

DECLARATION OF SITE RESTRICTIONS

THIS DECLARATION OF SITE RESTRICTIONS ("**Declaration**") is made as of the ____ day of ____, 20__, by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco ("**Successor Agency**"), hereinafter called the "**Owner**," in favor of the Transbay Joint Powers Authority, a California joint powers agency, and its successors in interest (the "**TJPA**"). The conditions, covenants, and restrictions stated herein shall bind Owner and its successors and assigns and shall be enforceable by the TJPA.

The following conditions, covenants, and restrictions affect that certain real property in the City and County of San Francisco, State of California known as Block 3739, Lot 004 and Block 3739, Lot 007 (as more particularly described in Exhibit A and depicted in Exhibit B attached hereto, referred to herein collectively as the "**Property**") that is owned by Successor Agency. The Property is located within the Transbay Redevelopment Project Area ("**Project Area**") in the City and County of San Francisco ("**City**"), State of California and will be aggregated with other parcels to create Redevelopment Block 2.

WITNESSETH:

WHEREAS, the Owner owns the Property, which is located in the Project Area and covered by the Redevelopment Plan for the Transbay Redevelopment Project Area, filed in the Office of the Recorder of the City and County of San Francisco, State of California, as Document No. 2006I224836, filed on August 4, 2006 ("**Redevelopment Plan**").

WHEREAS, the Owner has an enforceable obligation, as determined by the California Department of Finance under the terms of the Transbay Redevelopment Project Implementation Agreement (January 20, 2005) and California Health and Safety Code Sections 34170 et seq. (“**Redevelopment Dissolution Law**”), to implement the Redevelopment Plan. The Redevelopment Plan incorporates the statutory obligation under Section 5027.1 of the California Public Resources Code that twenty-five percent (25%) of the residential units developed in the Project Area shall be affordable to low- income households whose incomes do not exceed sixty percent (60%) of the area median income (“**AMI**”), that an additional ten percent (10%) of the residential units shall be affordable to households whose incomes do not exceed one-hundred and twenty percent (120%) of the AMI, and that all of these affordable units shall remain affordable for the longest feasible time, but not less than fifty-five years for rental units or forty-five years for owner-occupied units (“**Transbay Affordable Housing Obligation**”).

WHEREAS, the TJPA was formed in 2001 as a joint powers agency to plan and construct the Transbay Transit Center to replace the former Transbay Bus Terminal, to serve Caltrain, high speed rail, and local and regional bus lines. By statute, the TJPA has exclusive control with respect to all matters concerning the financing, design, development, construction, and operation of the new Transbay Transit Center. Cal. Public Resources Code § 5027.1(a).

WHEREAS, in 2003, the TJPA, the City, and the State, acting by and through its Department of Transportation (“**Caltrans**”), entered into a Cooperative Agreement, which sets forth the process for the transfer of certain State-Owned Parcels to the TJPA and the City (“**Cooperative Agreement**”). In 2005, the TJPA and the Former Agency entered into the Transbay Redevelopment Project Implementation Agreement (“**Implementation Agreement**”) which requires the Former Agency to prepare and sell certain of the State-Owned Parcels and to implement the Redevelopment Plan, including the Transbay Affordable Housing Obligation. In 2008, the TJPA, the City and the Former Agency entered into a Transbay Redevelopment Project Tax Increment Allocation and Sales Proceeds Pledge Agreement (“**Pledge Agreement**”), which describes the City’s and the Former Agency’s irrevocable pledge to the TJPA of (i) net tax increment revenues attributable to all of the State-Owned Parcels, and (ii) Gross Sales Proceeds (as defined in the Pledge Agreement) from the conveyance of all or a portion of any State-Owned Parcel, for costs associated with construction and design of the Transbay Transit Center. In 2008, the TJPA, the City and the Former Agency entered into an Option Agreement for the Purchase and Sale of Real Property (“**Option Agreement**”), which sets forth the process for the transfer to the Former Agency of certain of the State-Owned Parcels and provides that the Gross Sales Proceeds 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.

WHEREAS, on February 1, 2012, California law dissolved all redevelopment agencies, including the Former Agency, pursuant to California Health and Safety Code Sections 34170 et seq. (“**Redevelopment Dissolution Law**”). By operation of law, the assets and obligations of the Former Agency were transferred to the Successor Agency.

WHEREAS, on April 15, 2013, the California Department of Finance (“**DOF**”) finally and conclusively determined, under Cal. Health & Safety Code § 34177.5 (i), that the Pledge Agreement, Implementation Agreement and Transbay Affordable Housing Obligation are continuing enforceable obligations of the Successor Agency under the Redevelopment Dissolution Law.

WHEREAS, to permit the demolition of the former Transbay Bus Terminal and the construction of the new Transbay Transit Center, the TJPA constructed a temporary bus terminal on Transbay Blocks 2, 3, and 4 (“**Temporary Terminal**”) for bus service during the construction period. The Temporary Terminal site is bordered by Howard, Main, Folsom, and Beale Streets in the City and County of San Francisco. The Temporary Terminal site consists of State-Owned Parcels (Assessor Parcel Block 3739, Lot 008), and the Property, which is land appurtenant to the State-Owned Parcels within Blocks 2 and 3 (Assessor Parcel Block 3739, Lots 002, 004, 006, and 007) that the TJPA purchased from private owners.

WHEREAS, under the Redevelopment Plan, Pledge Agreement, Implementation Agreement, and Option Agreement, the Successor Agency has been obligated, among other things, to assist the TJPA in funding the construction of the Transbay Transit Center and to fulfill the Transbay Affordable Housing Obligation. To maximize the proceeds and tax increment for the Transbay Transit Center during critical, early phases of its construction, the Successor Agency deferred development of some affordable housing and open space and approved lucrative private development on certain State-Owned Parcels. OCII estimated that this approach of maximizing market-rate development in early stages of plan implementation generated over \$100 million more in sales proceeds than if OCII had required the State-Owned Parcels (making up 8 redevelopment blocks) to satisfy the Transbay Affordable Housing Obligation (by imposing 35% affordability). Letter, Mark Zabaneh, TJPA, and Nadia Sesay, Successor Agency to Bijan Sartipi, Caltrans, Re: Approval of Transfer and Relinquishments of Power of Termination for Certain Remaining Parcels under the Cooperative Agreement (Feb. 9, 2018).

WHEREAS, the construction of the Transbay Transit Center started in 2010 and was completed in 2019. Following the completion of the Transbay Transit Center, the TJPA closed the Temporary Terminal. As a result, the State-Owned Parcels within Transbay Blocks 2, 3, and 4 became available for acquisition by the Successor Agency under the Option Agreement. The private parcels acquired by the TJPA and used for the Temporary Terminal, including the Property, also were no longer required by the TJPA.

WHEREAS, the State exercised its Power of Termination for the State-Owned Parcels that makes up Transbay Block 2, effective January 1, 2024, under the Notice of Exercise of Power of Termination and Objection to the Recording of a Relinquishment of Power of Termination, recorded September 11, 2018 in the Official Records of the City as Document No. 2018K671710 (“**Notice of Exercise**”). The Notice of Exercise provided that the State would relinquish its Power of Termination if the TJPA, Successor Agency, or their successors in interest caused the

recordation of an irrevocable declaration of site restrictions requiring, among other things, the completion of an affordable housing development and related and ancillary facilities and improvements on the State-Owned Parcels that make up Transbay Block 2 by January 1, 2028 with the affordability, eligibility, and durational restrictions of the Transbay Affordable Housing Obligation.

WHEREAS, Owner has recorded concurrently herewith that certain Declaration of Site Restrictions for the Relinquishment of Power of Termination (Transbay Block 2) in the Official Records of the City, restricting the portion of the State-Owned Parcels that makes up Transbay Block 2 for affordable housing project and public rights-of-way (“**Caltrans Declaration of Restrictions**”), as described in more detail therein.

WHEREAS, Owner or its successor in interest intends to separately divide the portion of the State-Owned Parcels that makes up Transbay Block 2 and the Property to create the following uses consistent with the Notice of Exercise, the Redevelopment Plan, and the Transbay Affordable Housing Obligation: 1) a site for the development of an affordable housing project (“**Affordable Housing Site**”); and 2) a site for related and ancillary facilities and improvements that include a publicly accessible right-of-way to the north of the Affordable Housing Site (“**ROW Site**”).

WHEREAS, Under the Redevelopment Plan (Section 1.2), the Affordable Housing Site must comply with the zoning in the Development Controls and Design Guidelines for the Transbay Redevelopment Project (“DCDG”), which require ground floor commercial spaces in buildings along Folsom Street and, in particular, on Block 2 and further require that these spaces conform to general standards and guidelines for ground floor retail development. DCDG at 24-29.

WHEREAS, Owner intends to record a Transfer Map pursuant to City Subdivision Code Section 1312.1 for a Merger and 5 Lot Subdivision Project (“**Final Transfer Map 10327**”). The Tentative Transfer Map is currently under review by the City of San Francisco and is filed as Map No. 10327 on the San Francisco Public Works website. The future lots to be created by Final Transfer Map 10327 are depicted on Exhibit B.

WHEREAS, Owner retained Clifford Advisory Services to appraise the Property and has determined that the value of the Property is zero based on the assumption that the highest and best use of the Property is for an affordable housing project and public rights-of-way consistent with the Caltrans Declaration of Restrictions.

WHEREAS, the TJPA agreed to transfer the Property to Owner pursuant to a Purchase and Sale Agreement dated _____, 2020 at no cost based on the expectation that the Property would be developed for an affordable housing project and public rights-of-way consistent with the Caltrans Declaration of Restrictions applicable to the State-Owned Parcels that make up Transbay Block 2.

WHEREAS, to ensure that the Property is dedicated to the affordable housing project and public rights-of-way uses contemplated by the Owner and the TJPA at the time of transfer of the Property, the TJPA conditioned its no-cost sale of the Property to Owner on Owner’s recordation

of this irrevocable declaration of site restrictions to ensure the use of the Property is restricted to affordable housing development and related and ancillary facilities and improvements on the Property, to be completed on terms similar to those set forth in the Caltrans Declaration of Restrictions.

WHEREAS, under this declaration, Owner may not use the Property for uses not authorized by the declaration without amending or terminating this declaration, which amendment or termination shall be within the sole and absolute discretion of the TJPA. It is the expectation of the parties that any such amendment or termination shall be conditioned on the payment of monetary consideration the TJPA reflecting fair market value of the Property after the amendment or termination, in furtherance of the TJPA's public purposes.

WHEREAS, the obligations of Owner under this declaration benefit, touch and concern that certain real property generally located at 425 Mission Street, San Francisco, California (Assessor's Block 3719, Lot 003; Block 3720, Lots 010 and 011; and Block 3721, Lots 006 and 124) owned by the TJPA, as more particularly described in Exhibit C ("**Benefitted Parcel**"), shall affect, relate to, apply to, accrue to benefit of, run with, and be enforceable by any successor owners of the Benefitted Parcel.

WHEREAS, the California Community Redevelopment Law, as amended by the Redevelopment Dissolution Law, authorizes the Owner to establish, consistent with enforceable obligations, restrictions and covenants running with land sold or leased for redevelopment purposes.

NOW, THEREFORE, the Owner hereby declares that the real property described and referred to as the Property is and shall be held, transferred, sold, and conveyed, subject to the covenants, conditions and restrictions, hereinafter set forth:

1. Property Subject to This Declaration.

This Declaration is made with respect to the Property located in the City and County of San Francisco, State of California, and more particularly described in Exhibit A, which shall be held, conveyed, transferred and sold subject to the applicable covenants, conditions and restrictions established in this Declaration.

2. Completion of Construction.

The Owner or its successors in interest shall construct and complete, or cause to be constructed and completed, the affordable housing and related and ancillary facilities and improvements on the Property by January 1, 2028 (the "**Construction Term**").

3. Affordability and Public Use Restrictions.

(a) Affordable Housing Restrictions. The Owner or its successors in interest shall devote the Affordable Housing Site, as depicted as a portion of Lot 5 on Exhibit B, to an

affordable housing project consistent with the Notice of Exercise, the Redevelopment Plan and the Transbay Affordable Housing Obligation and these restrictions shall be in a first lien position and not be subordinated to any lien or other encumbrance. The Owner or its successors in interest shall restrict the Property to these uses for a period of time that is consistent with the Transbay Affordable Housing Obligation, namely a duration of not less than fifty-five years for rental units or forty-five years for owner-occupied units from the date that the certificate of final completion and occupancy has been issued for development on the Property (the “**Affordability Term**”).

(b) Rights-of-Way Restrictions. The Owner or its successors in interest shall devote the ROW Site, as depicted as a portion of Lot 4 on Exhibit B, to rights-of-way consistent with local regulations for public rights-of-way.

4. Term.

(a) The covenants in Section 2 shall remain in effect for the Construction Term. The covenants in Section 3(a) shall remain in effect for a period of time that meets or exceeds the Affordability Term. The covenants in Section 3(b) shall run with the land on the ROW Site in perpetuity. These covenants shall be binding on all parties and all persons claiming under them as of the date this Declaration is executed.

(b) This Declaration constitutes covenants running with the land and binds successors and assigns of Owner. In the event that Owner fails to comply with this Declaration to the TJPA’s satisfaction, in its sole discretion, within thirty (30) days of the Owner’s receipt of the TJPA’s written notice to so comply or such additional time as the TJPA determines is reasonably necessary to comply, the TJPA, at its option, may exercise any rights available at equity or in law, including, without limitation, instituting an action for specific performance. The Owner shall pay the TJPA’s costs in connection with enforcement of the terms of this Declaration, including, without limitation, the TJPA’s reasonable attorneys’ fees and costs.

5. Severability of Provisions.

If any provision of this Declaration or the application of such provision to any owner or owners or parcel of land is held invalid, the validity of the remainder of this Declaration and the applicability of such provision to any other owner or owners or parcel of land shall not be affected thereby.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed as of the day and year below.

Dated: _____

OWNER

Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, organized and existing under the laws of the State of California

By: _____
Name: _____
Its: _____

Dated: _____

Transbay Joint Powers Authority, a California joint powers agency

By: _____
Name: _____
Its: _____

NOTARY CERTIFICATE

EXHIBIT A
Legal Description of Property

EXHIBIT B
Plat Map

EXHIBIT C
Legal Description of Benefitted Parcel

EXHIBIT D-2

FORM OF DECLARATION OF SITE RESTRICTIONS – TRANSBAY BLOCK 3

WHEN RECORDED RETURN TO:

Transbay Joint Powers Authority
 425 Mission St., Suite 250
 San Francisco, CA 94105
 Attn: Executive Director

The undersigned hereby declares this instrument to be exempt from Documentary Transfer Tax (CA Rev. & Tax Code §11922 and S.F. Bus. & Tax Reg Code § 1105) and recording fees per Government Code §27383 and §27388.1.

APN: Block 3739, Lots 002 and 006

Space Above for Recorder's Use Only

DECLARATION OF SITE RESTRICTIONS

THIS DECLARATION OF SITE RESTRICTIONS ("**Declaration**") is made as of the ____ day of ____, 20__, by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco ("**Successor Agency**"), hereinafter called the "**Owner**," in favor of the Transbay Joint Powers Authority, a California joint powers agency, and its successors in interest (the "**TJPA**"). The conditions, covenants, and restrictions stated herein shall bind Owner and its successors and assigns and shall be enforceable by the TJPA.

The following conditions, covenants, and restrictions affect that certain real property in the City and County of San Francisco, State of California known as Block 3739, Lot 002 and Block 3739, Lot 006 (as more particularly described in Exhibit A and depicted in Exhibit B attached hereto, referred to herein collectively as the "**Property**") that is owned by Successor Agency. The Property is located within the Transbay Redevelopment Project Area ("**Project Area**") in the City and County of San Francisco ("**City**"), State of California and will be aggregated with other parcels to create Redevelopment Block 3.

WITNESSETH:

WHEREAS, the Owner owns the Property, which is located in the Project Area and covered by the Redevelopment Plan for the Transbay Redevelopment Project Area, filed in the Office of the Recorder of the City and County of San Francisco, State of California, as Document No. 2006I224836, filed on August 4, 2006 ("**Redevelopment Plan**").

WHEREAS, the Owner has an enforceable obligation, as determined by the California Department of Finance under the terms of the Transbay Redevelopment Project Implementation Agreement (January 20, 2005) and California Health and Safety Code Sections 34170 et seq. (**“Redevelopment Dissolution Law”**), to implement the Redevelopment Plan. The Redevelopment Plan includes the construction and funding of major infrastructure improvements, such as new public parks and new pedestrian-oriented alleys and which requires, in Section 3.5.1 and in the Zone 1 Plan Map, that the Property shall be developed as a public park (**“Open Space Obligation”**).

WHEREAS, the TJPA was formed in 2001 as a joint powers agency to plan and construct the Transbay Transit Center to replace the former Transbay Bus Terminal, to serve Caltrain, high speed rail, and local and regional bus lines. By statute, the TJPA has exclusive control with respect to all matters concerning the financing, design, development, construction, and operation of the new Transbay Transit Center. Cal. Public Resources Code § 5027.1(a).

WHEREAS, in 2003, the TJPA, the City, and the State, acting by and through its Department of Transportation (**“Caltrans”**), entered into a Cooperative Agreement, which sets forth the process for the transfer of certain State-Owned Parcels to the TJPA and the City (**“Cooperative Agreement”**). In 2005, the TJPA and the Former Agency entered into the Transbay Redevelopment Project Implementation Agreement (**“Implementation Agreement”**) which requires the Former Agency to prepare and sell certain of the State-Owned Parcels and to implement the Redevelopment Plan, including the Open Space Obligation. In 2008, the TJPA, the City and the Former Agency entered into a Transbay Redevelopment Project Tax Increment Allocation and Sales Proceeds Pledge Agreement (**“Pledge Agreement”**), which describes the City’s and the Former Agency’s irrevocable pledge to the TJPA of (i) net tax increment revenues attributable to all of the State-Owned Parcels, and (ii) Gross Sales Proceeds (as defined in the Pledge Agreement) from the conveyance of all or a portion of any State-Owned Parcel, for costs associated with construction and design of the Transbay Transit Center. In 2008, the TJPA, the City and the Former Agency entered into an Option Agreement for the Purchase and Sale of Real Property (**“Option Agreement”**), which sets forth the process for the transfer to the Former Agency of certain of the State-Owned Parcels and provides that the Gross Sales Proceeds 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.

WHEREAS, on February 1, 2012, California law dissolved all redevelopment agencies, including the Former Agency, pursuant to California Health and Safety Code Sections 34170 et seq. (**“Redevelopment Dissolution Law”**). By operation of law, the assets and obligations of the Former Agency were transferred to the Successor Agency.

WHEREAS, on April 15, 2013, the California Department of Finance (**“DOF”**) finally and conclusively determined, under Cal. Health & Safety Code § 34177.5 (i), that the Pledge Agreement, Implementation Agreement and Transbay affordable housing obligation are

continuing enforceable obligations of the Successor Agency under the Redevelopment Dissolution Law.

WHEREAS, to permit the demolition of the former Transbay Bus Terminal and the construction of the new Transbay Transit Center, the TJPA constructed a temporary bus terminal on Transbay Blocks 2, 3, and 4 (“**Temporary Terminal**”) for bus service during the construction period. The Temporary Terminal site is bordered by Howard, Main, Folsom, and Beale Streets in the City and County of San Francisco. A portion of Blocks 2 and 3, and all of Block 4 consist of State-Owned Parcels (Assessor Parcel Block 3739, Lot 008), which the TJPA acquired from Caltrans pursuant to the Cooperative Agreement. The remainder of the land within Blocks 2 and 3 (Assessor Parcel Block 3739, Lots 002, 004, 006, and 007) was purchased by the TJPA from private owners.

WHEREAS, under the Redevelopment Plan, Pledge Agreement, Implementation Agreement, and Option Agreement, the Successor Agency has been obligated, among other things, to assist the TJPA in funding the construction of the Transbay Transit Center and to fulfill the Open Space Obligation. To maximize the proceeds and tax increment for the Transbay Transit Center during critical, early phases of its construction, the Successor Agency deferred development of some affordable housing and open space and approved lucrative private development on certain State-Owned Parcels. OCII estimated that this approach of maximizing market-rate development in early stages of plan implementation generated over \$100 million more in sales proceeds than if OCII had required the State-Owned Parcels (making up 8 redevelopment blocks) to satisfy the Transbay affordable housing obligation (by imposing 35% affordability). Letter, Mark Zabaneh, TJPA, and Nadia Sesay, Successor Agency to Bijan Sartipi, Caltrans, Re: Approval of Transfer and Relinquishments of Power of Termination for Certain Remaining Parcels under the Cooperative Agreement (Feb. 9, 2018).

WHEREAS, the construction of the Transbay Transit Center started in 2010 and was completed in 2019. Following the completion of the Transbay Transit Center, the TJPA closed the Temporary Terminal. As a result, the State-Owned Parcels within Transbay Blocks 2, 3, and 4 became available for acquisition by the Successor Agency under the Option Agreement. The private parcels acquired by the TJPA and used for the Temporary Terminal, including the Property, also were no longer required by the TJPA.

WHEREAS, the State exercised its Power of Termination for the State-Owned Parcels that makes up Transbay Block 3, effective January 1, 2024, under the Notice of Exercise of Power of Termination and Objection to the Recording of a Relinquishment of Power of Termination, recorded September 11, 2018 in the Official Records of the City as Document No. 2018K671709 (“**Notice of Exercise**”). The Notice of Exercise provided that the State would relinquish its Power of Termination if the TJPA, Successor Agency, or their successors in interest caused the recordation of an irrevocable declaration of site restrictions requiring, among other things, the completion of a public park and related and ancillary facilities and improvements on the State-Owned Parcels that make up Transbay Block 3 by January 1, 2028,

restricting their use as a public park for a period of no less than fifteen (15) years after completion of the public park, and providing the State with certain enforceable rights to ensure compliance with these covenants.

WHEREAS, Owner has recorded concurrently herewith that certain Declaration of Site Restrictions for the Relinquishment of Power of Termination (Transbay Block 3) in the Official Records of the City, restricting the portion of the State-Owned Parcels that makes up Transbay Block 3 for public park and public rights-of-way (“**Caltrans Declaration of Restrictions**”), as described in more detail therein.

WHEREAS, Owner or its successor in interest intends to separately divide the portion of the State-Owned Parcels that makes up Transbay Block 3 and the Property to create: 1) a site for the development of a public park (“**Public Park Site**”); and 2) a site for related and ancillary facilities and improvements that include a publicly accessible right-of-way to the north and to the south of Public Park Site (“**ROW Site**”), consistent with the Notice of Exercise, the Redevelopment Plan and the Open Space Obligation.

WHEREAS, Owner intends to record a Transfer Map pursuant to City Subdivision Code Section 1312.1 for a Merger and 5 Lot Subdivision Project (“**Final Transfer Map 10327**”). The Tentative Transfer Map is currently under review by the City of San Francisco and is filed as Map No. 10327 on the San Francisco Public Works website. The future lots to be created by Final Transfer Map 10327 are depicted on Exhibit B.

WHEREAS, Owner retained Clifford Advisory Services to appraise the Property and has determined that the value of the Property is zero based on the assumption that the highest and best use of the Property is for a public park and public rights-of-way consistent with the Caltrans Declaration of Restrictions.

WHEREAS, the TJPA agreed to transfer the Property to Owner pursuant to a Purchase and Sale Agreement dated _____, 2020 at no cost based on the expectation that the Property would be developed for a public park and public rights-of-way consistent with the Caltrans Declaration of Restrictions applicable to the State-Owned Parcels that make up Transbay Block 3.

WHEREAS, to ensure that the Property is dedicated to a public park and public rights-of-way uses contemplated by the Owner and the TJPA at the time of transfer of the Property, the TJPA conditioned its no-cost sale of the Property to Owner on Owner’s recordation of this irrevocable declaration of site restrictions to ensure the use of the Property is restricted to public park and related and ancillary facilities and improvements on the Property, to be completed on terms similar to those set forth in the Caltrans Declaration of Restrictions.

WHEREAS, under this declaration, Owner may not use the Property for uses not authorized by the declaration without amending or terminating this declaration, which amendment or termination shall be within the sole and absolute discretion of the TJPA. It is the expectation of the parties that any such amendment or termination shall be conditioned on the

payment of monetary consideration the TJPA reflecting fair market value of the Property after the amendment or termination, in furtherance of the TJPA's public purposes; and

WHEREAS, the obligations of Owner under this declaration benefit, touch and concern that certain real property generally located at 425 Mission Street, San Francisco, California (Assessor's Block 3719, Lot 003; Block 3720, Lots 010 and 011; and Block 3721, Lots 006 and 124) owned by the TJPA, as more particularly described in Exhibit C ("**Benefitted Parcel**"), shall affect, relate to, apply to, accrue to benefit of, run with, and be enforceable by any successor owners of the Benefitted Parcel.

WHEREAS, the California Community Redevelopment Law, as amended by the Redevelopment Dissolution Law, authorizes the Owner to establish, consistent with enforceable obligations, restrictions and covenants running with land sold or leased for redevelopment purposes.

NOW, THEREFORE, the Owner hereby declares that the real property described and referred to as the Property is and shall be held, transferred, sold, and conveyed, subject to the covenants, conditions and restrictions, hereinafter set forth:

1. Property Subject to This Declaration.

This Declaration is made with respect to the Property located in the City and County of San Francisco, State of California, and more particularly described in Exhibit A, which shall be held, conveyed, transferred and sold subject to the applicable covenants, conditions and restrictions established in this Declaration.

2. Completion of Construction.

The Owner or its successors in interest shall construct and complete, or cause to be constructed and completed, the public park and related and ancillary facilities and improvements on the Property by January 1, 2028 (the "**Construction Term**").

3. Public Park and Public Use Restrictions.

(a) **Public Park Restrictions.** The Owner or its successors in interest shall devote the Public Park Site, as depicted as a portion of Lot 3 on Exhibit B, to a public park consistent with the Notice of Exercise, the Redevelopment Plan and the Open Space Obligation and these restrictions shall be in a first lien position and not be subordinated to any lien or other encumbrance. The Owner or its successors in interest shall restrict the Property to these uses for a period of time that meets or exceeds fifteen (15) years after completion of improvements for the public park (the "**Public Park Term**").

(b) **Rights-of-Way Restrictions.** The Owner or its successors in interest shall devote the ROW Site, as depicted as a portion of Lots 2 and 4 on Exhibit B, to rights-of-way consistent

with local regulations for public rights-of-way.

4. Term.

(a) The covenants in Section 2 shall remain in effect for the Construction Term. The covenants in Section 3(a) shall remain in effect for a period of time that meets or exceeds the Public Park Term. The covenants in Section 3(b) shall run with the land on the ROW Site in perpetuity. These covenants shall be binding on all parties and all persons claiming under them as of the date this Declaration is executed.

(b) This Declaration constitutes covenants running with the land and binds successors and assigns of Owner. In the event that Owner fails to comply with this Declaration to the TJPA's satisfaction, in its sole discretion, within thirty (30) days of the Owner's receipt of the TJPA's written notice to so comply or such additional time as the TJPA determines is reasonably necessary to comply, the TJPA, at its option, may exercise any rights available at equity or in law, including, without limitation, instituting an action for specific performance. The Owner shall pay the TJPA's costs in connection with enforcement of the terms of this Declaration, including, without limitation, the TJPA's reasonable attorneys' fees and costs.

5. Severability of Provisions.

If any provision of this Declaration or the application of such provision to any owner or owners or parcel of land is held invalid, the validity of the remainder of this Declaration and the applicability of such provision to any other owner or owners or parcel of land shall not be affected thereby.

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IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed as of the day and year below.

Dated: _____

OWNER

Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body, organized and existing under the laws of the State of California

By: _____
Name: _____
Its: _____

Dated: _____

Transbay Joint Powers Authority, a California joint powers agency

By: _____
Name: _____
Its: _____

NOTARY CERTIFICATE

EXHIBIT A
Legal Description of Property

EXHIBIT B
Plat Map

EXHIBIT C
Legal Description of Benefitted Parcel

1271949.2