

RESOLUTION NO. 113-2003

Adopted July 8, 2003

AUTHORIZING AN EIGHTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT TO PERMIT ASSIGNMENT OF THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH ARMAX YERBA BUENA LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO AURORA YB, LLC, A DELAWARE LIMITED LIABILITY COMPANY, IN CONNECTION WITH THE PURCHASE AND DEVELOPMENT OF PARCEL 3751-H (LOCATED ON THE NORTHEAST CORNER OF THE INTERSECTION OF FOURTH AND HARRISON STREETS); YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. On February 27, 1996, by Resolution No. 62-99, the Redevelopment Agency of the City and County of San Francisco ("Agency") authorized execution of the Disposition and Development Agreement ("DDA") with Armax International, Inc., a California corporation ("Armax International"), for the purchase and development of the Parcel 3751-H (the "Site"), located on the northeast corner of the intersection of Fourth and Harrison Streets, San Francisco, California, in the Yerba Buena Center Approved Redevelopment Project Area.
2. On October 3, 1997, the Agency conveyed the Site to Armax International to begin construction of the mixed-use commercial/retail and residential project.
3. On November 4, 1997, by Resolution No. 223-97, the Agency approved the Assignment of the DDA by Armax International to Armax Yerba Buena LLC, a California limited liability company ("Armax Yerba Buena").
4. Armax Yerba Buena has completed the residential portion of the development and the Agency issued a partial Certificate of Completion dated January 22, 2003.
5. Armax Yerba Buena desires to assign all of its right, title, and interest in the DDA to Aurora YB, LLC, a Delaware limited liability company (the "Developer"). The Developer's members are PPF MF 788 Harrison Street, LP, a Delaware limited partnership, its managing member ("PPF"), and Armax Yerba Buena.
6. Pursuant to Article 6 of the DDA, Armax Yerba Buena has requested that the Agency consent to this Assignment and Transfer ("Assignment") to the new

entity to permit the admission of equity partners, and Agency approval of an Eighth Amendment of the DDA to provide for the Assignment and Transfer, which Agency consent to such an Assignment and Transfer. The Developer has the necessary qualifications and financial capability to implement and complete the commercial/retail portion of the development of the Parcel.

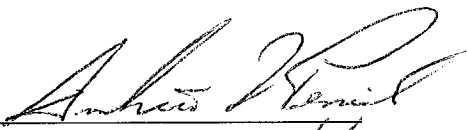
7. A public hearing concerning the proposed Assignment has been duly noticed and held in a time and manner required by law.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that:

1. The publication of the Notice of Public Hearing concerning the proposed assignment, pursuant to Section 33431 of the California Community Redevelopment Law, is hereby ratified and confirmed.
2. The Executive Director is authorized to consent to the Assignment and Transfer of the Disposition and Development Agreement from Armax Yerba Buena LLC, a California limited liability company, to Aurora YB, LLC, a Delaware limited liability company, in the form lodged with the Agency General Counsel with such changes as hereafter become necessary, which changes do not materially affect the substance of the DDA or materially increase the obligations of the Agency.
3. The Executive Director is authorized to enter into and execute the Eighth Amendment of the DDA with Aurora YB, LLC, a Delaware limited liability company, substantially in the form lodged with the Agency General Counsel and hereby approved with such changes as hereafter become necessary, which changes do not materially affect the substance of said Eighth Amendment or materially increase the obligations of the Agency.

APPROVED AS TO FORM:


Bertha A. Ontiveros 7/1/03
Agency General Counsel