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RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO: SAN FRANCISCO ASSESSOR RECORDER

San Francisco Redevelopment Agency
770 Golden Gate Avenue
San Francisco, CA 94102
Attn: Development Services

(SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY)

DUPLICATE

**FIRST AMENDMENT TO MISSION BAY SOUTH
OWNER PARTICIPATION AGREEMENT**

REC'T # **0002422102**
March 04, 2004 ----- 14:08:04

Dated February 17, 2004

San Francisco Assessor-Recorder
Mabel S. Teng, Assessor-Recorder

by and between

Document # **04-H669955-00**
REEL 1587 IMAGE 0521
Account Number 26
SFCC Redevelopment Agency
Free Issue

**THE REDEVELOPMENT AGENCY
CITY AND COUNTY OF SAN FRANCISCO**

and

IS LAND AND DEVELOPMENT CORPORATION

Total fee	\$0.00
Amount Tendered...	\$0.00
Change	\$0.00

oJL, JL/13

FIRST AMENDMENT TO MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT

This First Amendment to the Mission Bay South Owner Participation Agreement (this "First Amendment") dated for reference purposes only as of February 17, 2004 is by and between 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, together with any successor public agency designated by or pursuant to law (the "Agency") and Catellus Land and Development Corporation, a Delaware corporation (the "Owner").

RECITALS

This First Amendment is made with reference to the following facts and circumstances:

A. The Agency and Catellus Development Corporation, a Delaware corporation ("CDC"), entered into that certain Mission Bay South Owner Participation Agreement dated as of November 16, 1998 and recorded December 3, 1998 as Document No. 98-G477258-00 in the Official Records of San Francisco County (the "South OPA"). Catellus Operating Limited Partnership, a Delaware limited partnership ("COLP"), successor by merger to CDC, and Owner entered into that certain Assignment, Assumption and Release Agreement dated as of December 31, 2003, pursuant to which Owner assumed COLP's rights and obligations under the South OPA including the right to consent to this First Amendment. The capitalized terms used herein shall have the meaning set forth in the South OPA, unless otherwise specifically provided herein.

B. Owner has now acquired portions of Parcel X-2 as described on the Land Use Plan and contemplated by South OPA Section 19.32 and has elected that same shall be deemed to be real property subject to rights, duties and obligations of the South OPA, amended herein. The newly acquired portions of Parcel X-2 are as depicted on Exhibit A attached hereto. In connection with its acquisition of portions of

Parcel X-2, Owner proposes to amend certain aspects of the South OPA to reflect the potential increase in the number of Residential Units contemplated to be developed by Owner.

C. The Owner and Agency wish to enter into this First Amendment for the purposes of achieving the further redevelopment within the South Plan Area and making certain amendments to the South OPA, all to further effectuate the program of development contemplated by the Mission Bay South Redevelopment Plan. The parties have entered into this First Amendment to memorialize their understanding and commitments concerning the matters generally described above.

AGREEMENT

Accordingly, for good and valuable consideration, the amount and sufficiency of which is hereby acknowledged, the Owner and the Agency agree as follows:

1. Wherever the South OPA (including without limitation any Attachment thereto) makes reference to the number of Residential Units to be developed on Owner or Agency Property, specifically three thousand (3,000) units of housing, including one thousand nine hundred (1,900) Market Rate Residential Units and one thousand one hundred (1,100) Affordable Housing Units, and referring either to the Agency Property or Owner property, such phrases shall be deemed to be amended to refer to "3,043" wherever the number "3,000" appears, "1,935" wherever the number 1,900 appears and to "1,108" wherever the number "1,100" appears. Reference to "12.2 acres" shall be replaced with "approximately 12.3 acres." Where the phrase "approximately" precedes any numbers identified in this Paragraph 1, that word shall be retained.

2. Wherever the Mission Bay Land Use Map depicts Block 10, such Block shall be deemed the reconfigured Block 10, as depicted in Exhibit A hereto.

3. Exhibit F to the Housing Program (Attachment C to the South OPA) is hereby deleted in its entirety and the depiction at Exhibit B hereto is substituted in lieu thereof.

4. Section 3.6(e) is hereby added at the end of Section 3.6 of the South OPA:

“ (e) Subject to the Agency’s approval, the Owner may elect to subdivide various components within a Project, and desires to be able to obtain a Certificate of Completion with respect to each such subdivided component, but prior to Completion of the Improvements for the entire Project. Acceptable subdivided components include: (i) each component containing a retail or other commercial use; (ii) each component containing a residential development (and up to 6 Certificates of Completion covering not fewer than 10 individual Residential Units therein); and (iii) each component containing parking facilities.

Prior to the Owner’s initial request for a Certificate of Completion for a subdivided component, the Owner shall provide to the Agency for review, a schedule which sets forth in adequate detail the composition of all proposed subdivided components and stating the anticipated timeframe for completion of the remaining components within the Project. The Agency shall review the schedule and either approve or disapprove the proposal set forth therein within twenty (20) days of receipt from the Owner. Provided that the Agency approves the schedule submitted by the Owner and provided further that the conditions to approval of each such subdivided component are met, upon formal request, the Agency agrees to issue separate Certificates of Completion, prior to Completion of the Improvements for the entire Project, for each of the subdivided components when and if they are completed.

Each component shall be considered complete when (A) the following elements of the component are completed: (a) the core and shell; (b) the exterior building surfaces and finishes; (c) the utility surfaces in the core and shell; (d) the core and shell of the component’s lobby; (e) any elevators serving the component; (f) all life safety systems serving the component, which must be fully operational; (g) the parking facilities serving the component; and (h) any other elements of the Project reasonably determined by the Agency to be necessary; and (B) the City and County of San Francisco has issued a temporary Certificate of Occupancy (except that for a Residential Unit a final Certificate of Occupancy is required) with respect to the component.”

5. Section 14.6 is hereby added at the end of Section 14 of the South OPA:

"14.6 Sale of Individual Residential Condominium Units.
Notwithstanding any other provision of this South OPA, the provisions relating to Transfers shall not apply to buyers of completed individual Residential Units for which, on or prior to the date of sale, a Certificate of Occupancy has been

issued; provided, however, that the Owner, as Transferor, remains fully obligated under this South OPA as to any remaining obligation to complete the Improvements of which the subject Residential Unit is a part, including without limitation any obligations enumerated in Section 14.1(a)(4), and the Owner retains the exclusive right to request a Certificate of Completion and is not otherwise seeking a release from any obligations under Section 14.1(b).

The Agency will not (i) require notice or assumption of obligations for subsequent resales of any such Residential Units; (ii) require prior written notice under Section 14.1(e) or the assumption of the transferring Owner's obligations, if any, under Section 14.1(f) for the transfer of Residential Unit project condominium common areas to an owner's association for which a Certificate of Occupancy has been issued and shall not otherwise impose any obligations with respect to completion of Improvements on completed individual Residential Units; nor (iii) otherwise impose any obligations with respect to completion of the Improvements on completed individual Residential Units, so long as the above criteria of this Section 14.6 have been satisfied with respect to remaining Owner obligations.

This Section 14.6 is for the express benefit of the Owner, and nothing herein shall be construed to: (a) confer on an individual Residential Unit purchaser the status of Transferee or Owner; or (b) provide such purchaser, as opposed to the Owner, with the right to request a Certificate of Completion for an individual Residential Unit."

6. The Design Review and Document Approval Procedure, Attachment G to the South OPA, is hereby amended to delete the phrase "No final subdivision map" in the first sentence of the second paragraph of Section I.B.1. and to insert the phrase "No tentative subdivision map" in lieu thereof.

7. Except as otherwise amended hereby and as previously revised to reflect various non-material changes, all terms, covenants, conditions and provisions of the South OPA shall remain in full force and effect.

8. This First Amendment is binding upon and will inure to the benefit of the successors and assigns of the Agency, the Owner, and, as applicable, the City, subject to the limitations set forth in the South OPA.

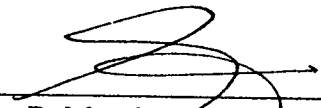
9. This First Amendment may be executed in any number of counterparts, all of which, together shall constitute the original agreement hereof.


IN WITNESS WHEREOF, the Agency has caused this First Amendment to be duly executed on its behalf and the Owner has signed or caused this First Amendment to be signed by duly authorized persons, all as of the day first above written.

Authorized by Agency Resolution No. 23-2004
adopted February 17, 2004

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

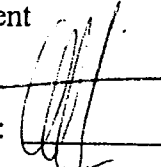
Approved to Form:

By: 
for James B. Morales
Agency General Counsel

By: 
Ayisha J. Benham 02/20/04
Deputy Executive Director

CATELLUS LAND AND DEVELOPMENT
CORPORATION, a Delaware corporation

By: Catellus Urban Development Corporation,
a Delaware corporation, its authorized
agent

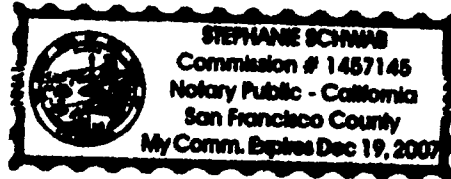
By: 
Name: Eric Harrison
Title: Executive V.P.

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN FRANCISCO)

On FEB. 13, 2004, before me, the undersigned, a Notary Public in and for said State, personally appeared ERIC HARRISON, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Stephanie Schmas
Signature of Notary Public (Seal)



STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN FRANCISCO)

On FEB. 20, 2004, before me, the undersigned, a Notary Public in and for said State, personally appeared Ayisha J Benham, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Lucinda J. Nguyen
Signature of Notary Public (Seal)

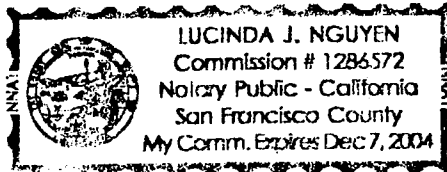
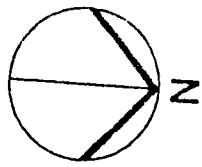


EXHIBIT A

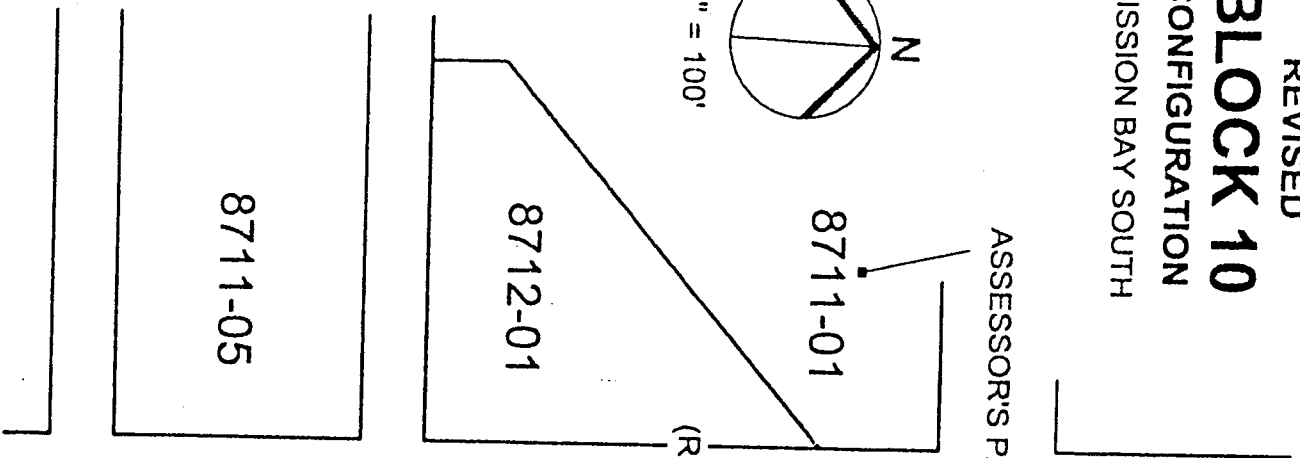
REVISED BLOCK 10 CONFIGURATION

REVISED
BLOCK 10
CONFIGURATION
MISSION BAY SOUTH

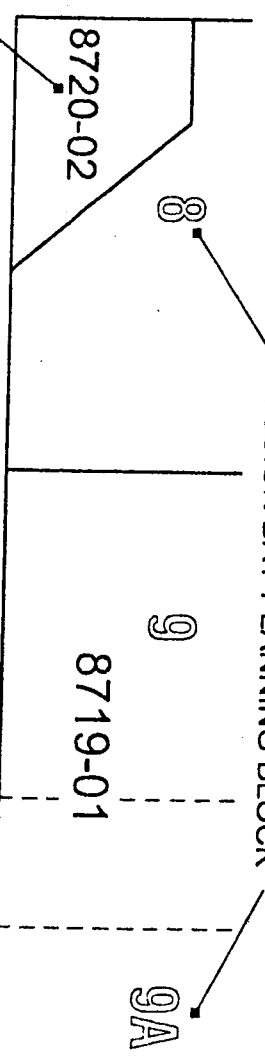


1" = 100'

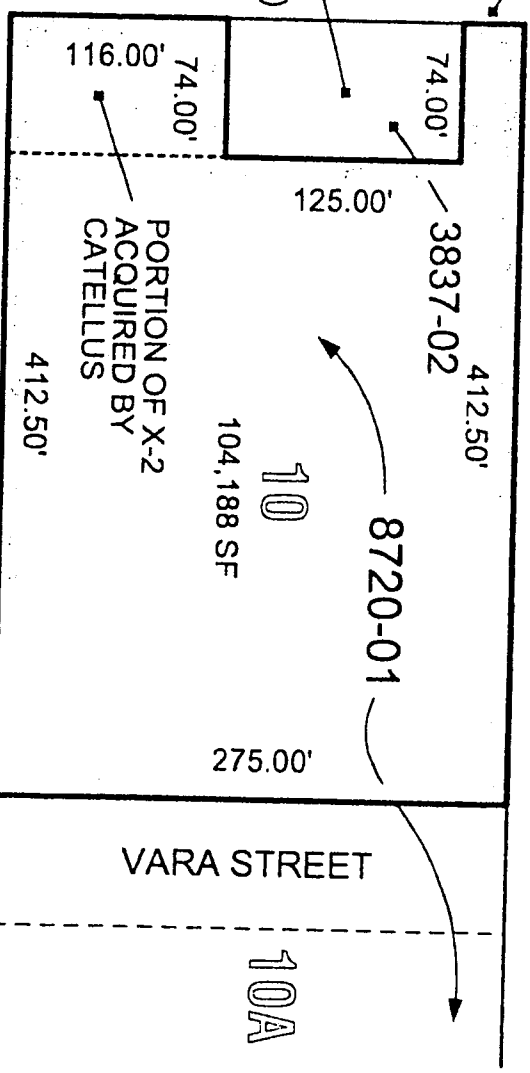
ASSESSOR'S PARCEL NO.



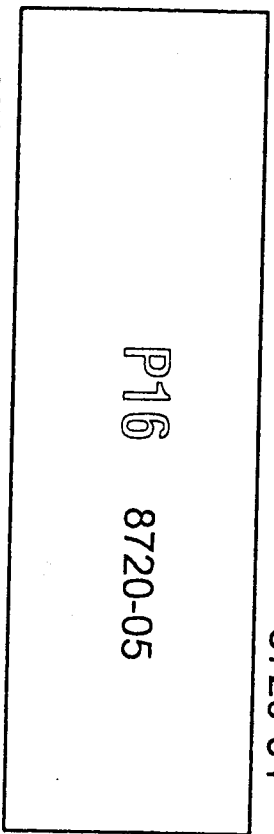
THIRD STREET



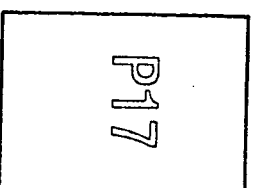
CHINA BASIN STREET 8720-09



MISSION BAY BLVD NORTH 8720-04



P16 8720-05



P17

EXHIBIT B

REVISED EXHIBIT F, MISSION BAY SOUTH HOUSING PROGRAM

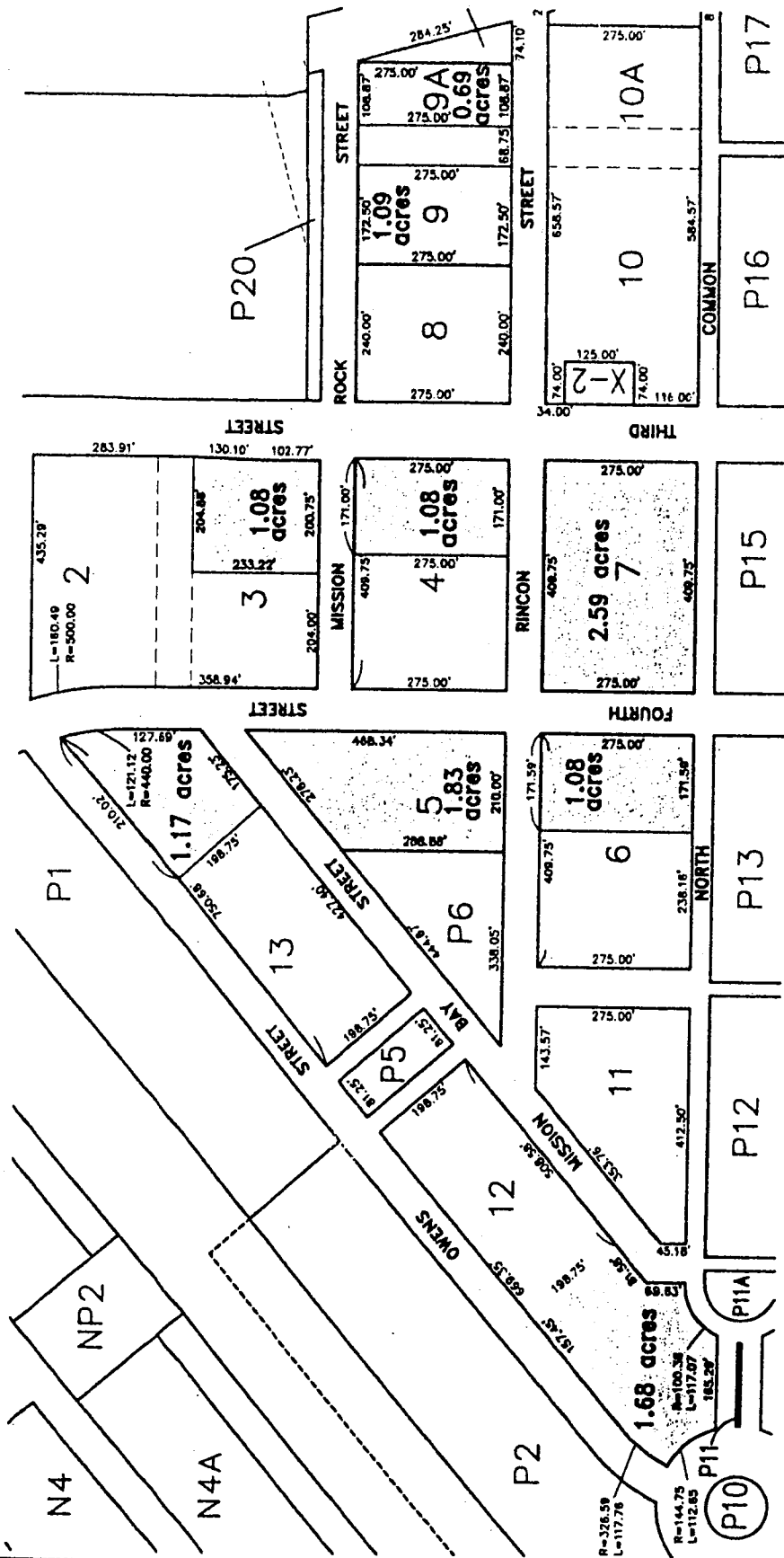


EXHIBIT F
APPROVED SITES
SOUTH HOUSING PROGRAM



TOTAL: 12.28 ACRES

RESOLUTION NO. 23-2004

Adopted February 17, 2004

AUTHORIZING A FIRST AMENDMENT TO THE MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT TO ADD 8,004 NET SQ. FT. OF LAND ACQUIRED BY CATELLUS WITHIN THE SOUTH PLAN AREA INTO THE OPA; TO INCREASE THE AMOUNT OF LAND TO BE CONTRIBUTED TO THE AGENCY FOR AFFORDABLE HOUSING BY 3,854 SQ. FT.; AND TO MAKE TECHNICAL CORRECTIONS TO THE CERTIFICATE OF COMPLETION, TRANSFER AND SUBDIVISION MAPPING PROVISIONS; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

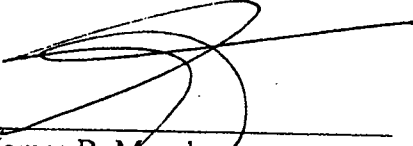
1. On September 17, 1998, by Resolution No. 193-98, the San Francisco Redevelopment Agency Commission (the "Agency Commission") conditionally approved the Mission Bay South Owner Participation Agreement (the "South OPA") and related documents between Catellus Development Corporation (the "Owner") and the Agency for development in the Mission Bay South Redevelopment Project Area.
2. The conditions to the effectiveness of Resolution No. 193-98 were satisfied by the final adoption of the Board of Supervisors of the City and County of San Francisco adopting Ordinance No. 335-98 adopting the Mission Bay South Redevelopment Plan (the "Plan").
3. An amendment is proposed (a) to acknowledge the Owner's election to add a portion of Block 10 to the South OPA pursuant to South OPA Section 19.32; (b) to make certain technical and conforming changes in connection therewith; (c) to clarify the process regarding the sale of individual Residential Units including providing for the issuance of partial Certificates of Completion; and (d) to make a clarifying change in the subdivision procedural requirements that are predicates to Agency approval in the South OPA Design Review and Document Approval Procedure, all as more particularly set forth in the proposed amendment (together these changes to the South OPA are collectively referred to as the "First Amendment").
4. The Agency Commission previously adopted Resolution No. 21-2004 findings pursuant to CEQA and the CEQA Guidelines, which findings are hereby incorporated herein by this reference as if fully set forth.
5. Concurrently herewith, certain changes in the Design for Development for the Mission Bay South Redevelopment Plan Area are also proposed by Resolution No. 24-2004

6. The Agency staff has reviewed and considered the items for amendment as well as the Final Subsequent Environmental Impact Report ("FSEIR"), the Addendum and other information contained in the Agency's files, and finds them to be acceptable and recommends approving the First Amendment, which contains the above-listed provisions.

RESOLUTION

ACCORDINGLY, IT IS HEREBY RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a First Amendment to the Mission Bay South Owner Participation Agreement, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


for James B. Morales
Agency General Counsel

DUPLICATE

Free recording under
 Government Code Section 27383
 at the request of the Redevelopment Agency
 of the City and County of San Francisco

**RECORDING REQUESTED BY AND
 WHEN RECORDED RETURN TO**

San Francisco Redevelopment Agency
 770 Golden Gate Avenue
 San Francisco, CA 94102
 Attention: Development Services

CONFORMED COPY of Document recorded on,
 11/30/2005, 20051080843
 as No _____ at _____
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SAN FRANCISCO ASSESSOR RECORDER

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

**SECOND AMENDMENT TO
 MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT**

Dated as of November 1, 2005

By and Among

**THE REDEVELOPMENT AGENCY
 OF THE CITY AND COUNTY OF SAN FRANCISCO**

and

CATELLUS OPERATING LIMITED PARTNERSHIP

and

FOCIL-MB, LLC

SECOND AMENDMENT TO
MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT

THIS SECOND AMENDMENT TO THE MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT (this "Second Amendment") dated for reference as of November 1, 2005, is by and among the Redevelopment Agency of the City and County of San Francisco, a public body, corporate and politic of the State of California (together with any successor public agency designated by or pursuant to law the "Agency"), CATELLUS OPERATING LIMITED PARTNERSHIP, a Delaware limited partnership, as successor by merger to Catellus Development Corporation ("COLP"), and FOCIL-MB, LLC, a Delaware limited liability company (the "Primary Developer" or "FOCIL"). All initially capitalized terms in this Second Amendment shall have the meanings set forth in the South OPA (as hereinafter defined), unless otherwise specifically provided herein.

THIS SECOND AMENDMENT is made with reference to the following facts and circumstances:

- A. In January 1997, The Regents of the University of California ("The Regents") adopted UCSF's current Long Range Development Plan ("LRDP"), which describes plans for UCSF's physical facilities over a 15-year horizon, including a major new campus in Mission Bay South. On November 30, 2004, UCSF released proposed amendments in draft form to its long-range development plan, as LRDP Amendment #2. The amendments contemplate, among other matters, an expansion of UCSF facilities in the Mission Bay area.
- B. In accordance with the Community Redevelopment Law of California (Health & Safety Code Section 33000 *et seq.*), the City, acting through its Board of Supervisors and Mayor, approved a Redevelopment Plan for the Mission Bay South Redevelopment Project by Ordinance No. 335-98, adopted on November 2, 1998 (the "Redevelopment Plan"). In partnership with the City under the Mission Bay South Interagency Cooperation Agreement, dated as of November 16, 1998 (the "Interagency Cooperation Agreement"), the Agency is in the process of implementing the Redevelopment Plan, which is producing substantial public and economic benefits to the City. The Redevelopment Plan provides for the redevelopment, rehabilitation and revitalization of the South Plan Area, as more particularly described in the South OPA and generally shown on the Land Use Plan attached as Exhibit A.
- C. To implement the Redevelopment Plan, the Agency and Catellus Development Corporation, a Delaware corporation ("CDC"), which then owned most of the private property within the South Plan Area, entered into a Mission Bay South Owner Participation Agreement dated as of November 16, 1998 and recorded December 3, 1998 as Document No. 98-G477258-00 in the Official Records of the City and County of San Francisco, California (the "Official Records"), as amended by that certain First

Amendment to Mission Bay South Owner Participation Agreement dated as of February 17, 2004 and recorded March 4, 2004 as Document No. 04-H669955-00 in the Official Records (collectively, the "South OPA"). Thereafter, COLP, as successor by merger to CDC, and Catellus Land and Development Corporation, a Delaware corporation ("CLDC"), entered into that certain Assignment, Assumption and Release Agreement dated as of December 31, 2003, pursuant to which COLP assigned and transferred to CLDC, and CLDC assumed, certain of COLP's rights and obligations under the South OPA, including COLP's rights as "Owner" under the South OPA (including the right to consent to amendments to the South OPA), the obligation to construct the public infrastructure as set forth in the South OPA, and the rights to receive funding from the Agency for direct and indirect costs of constructing such infrastructure under the related Mission Bay South Tax Increment Allocation Pledge Agreement, dated as of November 16, 1998 (the "Pledge Agreement"). COLP did not, however, transfer ownership of the UC Expansion Parcels (as hereinafter defined). Subsequently, CLDC and FOCIL entered into that certain Assignment, Assumption and Release Agreement dated as of November 22, 2004 (the "FOCIL Assignment"), pursuant to which CLDC assigned and transferred to FOCIL, and FOCIL assumed, all of CLDC's rights and obligations under the South OPA. As used in this Second Amendment, all references to the "Primary Developer" mean from the date of the South OPA to December 31, 2003, CDC or COLP (as successor by merger to CDC), from January 1, 2004 to November 21, 2004, CLDC, and from and after November 22, 2004, FOCIL and its successors and assigns with respect to the obligation under the South OPA to construct Infrastructure in accordance with the terms thereof.

- D. In the manner more specifically contemplated by and described in the Option to Lease (defined in Paragraph L, below), The Regents wishes to lease from COLP with an option to purchase, and COLP wishes to lease and grant an option to purchase to The Regents, Parcels 36, 37, 38 and 39 in the South Plan Area, comprising approximately 9.74 acres of land, as more particularly described in the attached Exhibit B (the "UC Expansion Parcels"), for the possible expansion of UCSF in the South Plan Area.
- E. In conjunction with LRDP Amendment #2, UCSF, as lead agency for implementation of LRDP Amendment #2, released a program level final environmental impact report (FEIR) analyzing various combinations of hospital site scenarios at Parnassus Heights, Mount Zion and Mission Bay that could achieve its long-term desired hospital capacity of up to 650 beds. In March 2005, The Regents certified the FEIR and approved LRDP Amendment #2, which refines the hospital replacement options under consideration.
- F. The Redevelopment Plan, together with the related Redevelopment Plan for the Mission Bay North Redevelopment Project, describes a mixed-use development that will create a new neighborhood in San Francisco. At its center, the South Plan Area includes an approximately 43-acre biomedical research and educational campus site for UCSF, including approximately 2,650,000 square feet of developed and/or planned UCSF facilities and housing for UCSF staff and students (the "UC Campus Site").

- G. In 1998, in connection with the adoption of the Redevelopment Plan, and under special state legislation adopted in 1997 to provide for an exchange of public trust lands, the City and CDC agreed to convey the 43-acre site to The Regents at no transfer price, to induce UCSF to develop its major new campus in Mission Bay, to facilitate approval of an exchange of public trust lands to allow the Redevelopment Plan to be realized, and to attract biotechnology and compatible uses on the private parcels designated for commercial development in the rest of the South Plan Area. As UCSF develops the UC Campus Site, it contributes funds for the construction of public infrastructure (i.e. public streets and utilities) bordering and running through the UC Campus Site, which are built by the Primary Developer. UCSF contributes to a park maintenance fund for all of the South Plan Area. UCSF funds all campus infrastructure, including internal campus streets, utilities, and landscaping at the UC Campus Site. UCSF also agreed to provide at least eight acres of publicly accessible open space on the UC Campus Site.
- H. The South OPA sets forth phasing principles that govern the development of the property in the South Plan Area in furtherance of the Redevelopment Plan. Those linkages include obligations of the Primary Developer to deliver the Agency Affordable Housing Parcel as the Primary Developer builds market rate housing in the South Plan Area. They also include the Primary Developer's commitments to construct public open space and other public Infrastructure adjacent to – or otherwise triggered by – development on any of the private parcels governed by the South OPA.
- I. Under the South OPA and related Mission Bay South Tax Increment Allocation Pledge Agreement, dated as of November 16, 1998, between the Agency and the City (the "Pledge Agreement"), approximately 20% of the total property tax increment (plus certain excess tax increment) generated by development in the South Plan Area is contractually dedicated to develop affordable housing units on parcels that the Primary Developer will contribute to the Agency, to achieve the affordable housing program contemplated by the Redevelopment Plan.
- J. The South OPA requires the Primary Developer to construct the public infrastructure directly related to each of the major phases in accordance with the incremental build-out of each project. Under the South OPA and the Pledge Agreement, the Agency is obligated to fund, repay or reimburse the Primary Developer, subject to certain conditions, for the direct and indirect costs of constructing the infrastructure through (i) special taxes or bonds secured by special taxes levied on the property under a Community Facilities District ("CFD"), (ii) payment of net available property tax increment generated within the South Plan Area or tax allocation bonds issued and secured by such increment, or (iii) a combination of the foregoing, to the extent such tax revenues are available to the Agency. The Agency has established a CFD for infrastructure in the South Plan Area. As contemplated under the South OPA, the Agency has established a separate CFD to pay the costs of maintaining the public open space in the South Plan Area and in Mission Bay North.
- K. The Redevelopment Plan designates the UC Expansion Parcels for commercial and industrial development, as principal permitted uses, and for public structures of a

nonindustrial character, among other uses, as a secondary permitted use. In the LRDP Amendment #2 FEIR, UCSF proposes to use the UC Expansion Parcels for the siting of hospital facilities, including associated ambulatory care facilities, clinical research and office space and a central utility plant or, alternatively, for the expansion of the research campus. The Agency has determined under Section 302 of the Redevelopment Plan at the time of and in connection with the Agency's approval of the MOU (as described in Paragraph S below), that the proposed uses by The Regents for the UC Expansion Parcels are consistent with the designated land uses of the Redevelopment Plan. Nothing in this recital is intended to limit Section 4 of the MOU.

- L. COLP and The Regents of the University of California ("The Regents") have entered into an Option Agreement and Grant of Option to Lease, dated as of January 1, 2005 (the "Option to Lease"), which provides that upon the satisfaction of certain conditions and exercise by The Regents of the option to lease granted therein, (i) COLP, as landlord, and The Regents, as tenant, will enter into a long-term ground lease (the "Lease") of the UC Expansion Parcels, and (ii) COLP and The Regents will at the same time enter into an Option Agreement and Grant of Option to Purchase (the "Option to Purchase") under which The Regents will have an option to purchase the UC Expansion Parcels, all on the terms more specifically set forth in those agreements. A Memorandum of Option to Lease was recorded in the Official Records on April 7, 2005 as Document No. H933059. Generally, the term of the Option to Lease extends through December 31, 2005. If the conditions set forth in the Option to Lease are satisfied and The Regents exercise the Option to Lease within the option term, the Lease would allow UCSF to develop up to 1,020,000 square feet of Leasable area on the UC Expansion Parcels, provided that (a) The Regents complies with the California Environmental Quality Act as necessary prior to any development of those parcels, and (b) FOCIL and other property owners within the South Plan Area do not lose any of their respective entitled development potential for the balance of their land nor lose any of their other rights and privileges under the South OPA as a result of UCSF's use of the UC Expansion Parcels, as more particularly set forth in the Option to Lease and this Second Amendment.
- M. If the Option to Lease is exercised, the Lease will provide that COLP will be required to cause FOCIL to construct the Required Infrastructure (as defined in the Lease) for the UC Expansion Parcels, and if COLP fails to cause FOCIL to construct the Required Infrastructure within the time frame set forth in the Lease, The Regents will have certain remedies, as more particularly specified in the Lease, including the ability to itself construct the Required Infrastructure or cause the Required Infrastructure to be constructed (on the terms and subject to the conditions set forth in the Lease). However, whether or not The Regents exercises such self-help remedy, under no circumstances will The Regents be entitled to receive any reimbursement, payment or funding from the Agency or the City for any of the direct or indirect costs associated with The Regents' construction of the Required Infrastructure.
- N. In connection with development of its facilities, The Regents has agreed to pay the Primary Developer (or the Agency for subsequent reimbursement of costs to the Primary Developer) a share of the costs of infrastructure required for development of the UC

Expansion Parcels, which the Primary Developer will construct. The Regents has also agreed with COLP as provided in the Lease, and with the City and the Agency as provided in the MOU (as defined below), that the UC Expansion Parcels shall remain subject to the CFDs that the Agency has established for Infrastructure and open space maintenance.

- O. The South OPA provides that as a condition to any Transfer (as defined in the South OPA), the transferor obtain the agreement of the transferee to assume all of the transferor's obligations under the South OPA with respect to the transferred parcels. In connection with certain Transfers of property within the South Plan Area, the transferor is entitled, upon satisfaction of certain conditions, to receive a release from the Agency of all of the transferor's obligations under the South OPA. Therefore, in order for COLP to receive a release of its obligations under the South OPA (to the extent related to the UC Expansion Parcels), The Regents would be required to assume such obligations at the time the UC Expansion Parcels are Transferred to The Regents. One of the conditions that must be satisfied in order for The Regents to be entitled to exercise the Option to Lease and receive a Transfer of the UC Expansion Parcels is that the Agency grants COLP a release of COLP's obligations under the South OPA (to the extent related to the UC Expansion Parcels), either because (i) The Regents has assumed such obligations in accordance with the terms of the South OPA, or (ii) the Agency and The Regents have entered into an agreement satisfactory to COLP whereby, among other things, the Agency waives the requirement The Regents assume such obligations. In consideration of the public benefits that will flow to the Agency and the City from the transactions contemplated in this Second Amendment, the Agency is willing to modify the requirement that The Regents assume all such obligations with respect to the proposed Transfer of the UC Expansion Parcels to The Regents, and to consent to the Transfer and agree to release COLP from its obligations under the South OPA with respect to the UC Expansion Parcels, subject to the terms and conditions set forth in this Second Amendment.
- P. As a State agency, The Regents is exempt under the State Constitution from property taxes on property it uses in furtherance of its educational mission. Consequently, once The Regents and COLP enter into the Lease, the City and Agency will lose projected tax increment that would otherwise have been generated by private development of the UC Expansion Parcels consistent with the Redevelopment Plan, for the period that The Regents uses the UC Expansion Parcels in furtherance of such purposes on and after such Transfer. As previously mentioned, a portion of such property tax increment is dedicated under the South OPA and the Pledge Agreement for the development of affordable housing in Mission Bay and another portion is dedicated toward reimbursing costs of the construction of public Infrastructure in the South Plan Area. The Regents' contribution toward the required infrastructure costs will offset a large portion of the property tax increment that would have been used to reimburse costs of the construction of such public Infrastructure. In addition, The Regents have agreed to pay assessments on the UC Expansion Parcels to pay its full share of the principal and interest for Mello Roos Bonds issued by Community Facilities District 6. The conveyance to The Regents will also result in a downward adjustment of base year values for purposes of determining property

tax increment generated in the South Plan Area, thus offsetting a portion of the property tax increment that would be lost as a result of The Regents' tax exemption.

- Q. An expansion of UCSF facilities in Mission Bay will generate jobs and other substantial economic and public benefits for the City. Such expansion may also accelerate private development elsewhere in Mission Bay, including biotechnology uses, and serve as an engine for other development, increasing tax increment beyond what otherwise might have been produced from those parcels and producing additional tax revenues both inside and outside Mission Bay. At the same time, because of UCSF's exemption from property taxes, payroll taxes, parking taxes, and transfer taxes, the City could lose significant General Fund revenues that otherwise would have been produced through redevelopment for private uses. As is the case now, UCSF will generate tax revenues to the City through its expansion, both directly as a result of sales taxes for its retail uses (e.g. gift store, pharmacy, etc.), and indirectly from sales and parking taxes on certain uses paid by its employees and students, sales taxes paid in connection with construction materials for UCSF capital projects, and transient occupancy taxes paid by visitors attending UCSF conferences. These tax revenues and other revenues generated by UCSF's presence in San Francisco help offset the net loss of General Fund revenues due to UCSF's tax exemption.
- R. As of August 1, 2005, the Agency, the City and County of San Francisco (the "City") and The Regents entered into that certain Expansion of UCSF Facilities in the Mission Bay South Redevelopment Project Area (Blocks 36-39) Term Sheet (the "Term Sheet") summarizing certain basic terms of a proposed transaction among the Agency, the City and The Regents that is intended, among other things, to obtain the Agency's consent to the proposed Transfer of the UC Expansion Parcels to The Regents, and thereby make possible the exercise by The Regents of the Option to Lease and the entry by The Regents and COLP into the Lease and Option to Purchase with respect to UC Expansion Parcels. Among other things, the Term Sheet contemplates that the Agency and The Regents will enter into a Disposition and Development Agreement (the "DDA") in form and substance consistent with the Term Sheet, and one or more Memoranda of Understanding implementing the provisions of the Term Sheet relating to The Regents' development of the UC Expansion Parcels.
- S. Concurrently with, and subject to the parties' entering into, this Second Amendment, the Agency is entering into a DDA with The Regents for the development of an affordable housing project in the South Plan Area in connection with The Regents' development of the UC Expansion Parcels, and into a Memorandum of Understanding (the "MOU") with The Regents relating to The Regents' development of the UC Expansion Parcels.
- T. In consideration of the public benefits that will flow to the Agency and the City from the transactions contemplated under the Term Sheet, the Agency is willing to: (i) modify the requirement that The Regents assume all of the obligations of COLP under the South OPA relating to the UC Expansion Parcels in order for COLP to obtain a release of such obligations, (ii) consent to the proposed Transfer contemplated by the Option to Lease, the Lease and the Option to Purchase, and (iii) agree to release COLP from its obligations

under the South OPA with respect to the UC Expansion Parcels upon the occurrence of such Transfer, all subject to the terms and conditions set forth in this Second Amendment.

- U. The Agency, FOCIL and COLP wish to enter into this Second Amendment to further effectuate the program of development contemplated by the Mission Bay South Redevelopment Plan. The parties are entering into this Second Amendment to memorialize their understanding and commitments concerning the matters generally described above.

AGREEMENT

ACCORDINGLY, for good and valuable consideration, the receipt and adequacy of which are acknowledged, the Agency, COLP and FOCIL (as appropriate) agree as follows:

1. Agency Approval of Transfers to Exempt Entities. Article 14 of the South OPA is hereby amended by adding the following Section:

14.7 Transfer to Exempt Entities.

(a) Payments in Lieu of Taxes. COLP, for itself and on behalf of its successors and assigns as to the parcels described on Exhibit C-1 attached hereto, and FOCIL, for itself and on behalf of its successors and assigns as to the parcels described on Exhibit C-2 attached hereto, each hereby agrees that during the term of the South OPA, it will not Transfer any other property in the South Plan Area, or lease any space in, or otherwise grant any occupancy rights in the Property, to any entity for any use that is or could be exempt from property taxation without first: (i) obtaining from such tax exempt entity a binding contractual commitment, in form and substance reasonably satisfactory to, and for the benefit of, the Agency and the City, obligating such entity to make a payment in lieu of taxes ("PILOT Agreement") equal to the full amount of the property taxes that would have been assessed against the property notwithstanding such ownership or occupancy by a tax exempt entity; or (ii) itself entering into a binding PILOT Agreement, in form and substance reasonably satisfactory to, and for the benefit of, the Agency and the City, requiring the full payment of property taxes (or a payment in lieu thereof in an amount equal to the property taxes) that would have been assessed against such property notwithstanding such occupancy by such tax exempt entity; or (iii) obtaining the written consent of the Agency and the City, in their respective sole discretion. Each of COLP and FOCIL (as appropriate) shall include in all agreements for the Transfer of any of their property in the South Plan Area or the North Plan Area that are entered into on or after May 11, 2005 (and shall use commercially reasonable and good faith efforts to include in any amendments of any agreements for the Transfer of any property in either the South Plan Area or the Mission Bay North Plan Area for which the Agency has not received the 10-day notice of a proposed Transfer under Section 14.1(e) of the South OPA before May 11, 2005), a provision substantially in the following form (or such other provision as may be reasonably approved by the Agency and the City):

[Buyer], for itself and on behalf of its successors and assigns as to all or any portion of the Property, agrees that during the term of the South OPA, [Buyer] will not Transfer the Property, or any portion thereof, or lease space in, or otherwise grant any occupancy rights in the Property, to any entity for any use that is or could be exempt from property taxation without first: (a) obtaining from such tax exempt entity a binding contractual commitment, in form and substance reasonably satisfactory to, and for the benefit of, the Agency and the City, obligating such entity to make a payment in lieu of taxes ("PILOT Agreement") equal to the full amount of the property taxes that would have been assessed against the property notwithstanding such ownership or occupancy by a tax exempt entity; or (b) [Buyer] entering into a binding PILOT Agreement, in form and substance reasonably satisfactory to, and for the benefit of, the Agency and the City, requiring the full payment of property taxes (or a payment in lieu thereof in an amount equal to the property taxes) that would have been assessed against such property notwithstanding such occupancy by such tax exempt entity, or (c) obtaining the written consent of the Agency and the City, in their respective sole discretion. [Buyer and Seller] each hereby agrees not to request an adjustment to the Base Year Value for the South Plan Area as a result of any Transfer permitted under this Agreement to an entity exempt from property taxation. For purposes hereof, the term Base Year Value means the aggregate assessed value of property within the South Plan Area on the assessment roll last equalized prior to the effective date of the ordinance adopting the Mission Bay South Redevelopment Plan, and the term "last equalized" has the meaning set forth in Section 2052 of the California Revenue and Taxation Code. [Buyer] shall include in all agreements for the Transfer of the Property, or any portion thereof, a contractually binding provision substantially consistent with this Paragraph. [Buyer's] obligations under this Paragraph shall survive the recordation of the grant deed and the close of escrow and shall not be deemed merged into the grant deed upon its recordation.

(b) Applicability to Space Leases. Section 14.7(a) above shall apply to any grant of occupancy rights for new or existing permanent improvements (such as space leases) where as the result of the occupancy, the improvements or any portion of the improvements are exempt from property taxation. In any such instance, before entering into any such space lease or other occupancy agreement, the parties shall satisfy one of the conditions described in clauses (i) through (iii) of Section 14.7(a) above.

(c) Exceptions. The foregoing restriction shall not apply to: (1) any Transfer of common areas to a non-profit homeowner' association or similar entity or association formed to manage, own, operate and/or maintain such common areas, (2) Transfers to taxpaying individuals or entities that may be entitled to a partial exemption from property taxes (e.g., homeowners' exemption), and (3) the Transfers of the UC Expansion Parcels to The Regents pursuant to the Option to Lease and the Option to Purchase.

(d) No Adjustment to Base Year Calculations. COLP, FOCIL and the Agency each hereby agrees not to request an adjustment to the Base Year Value for the South

Plan Area as a result of any Transfer permitted hereunder to an entity exempt from property taxation, other than the Transfers of the UC Expansion Parcels to The Regents pursuant to the Option to Lease and the Option to Purchase. For purposes hereof, the term Base Year Value means the aggregate assessed value of property within the South Plan Area on the assessment roll last equalized prior to the effective date of the ordinance adopting the Mission Bay South Redevelopment Plan, and the term "last equalized" has the meaning set forth in Section 2052 of the California Revenue and Taxation Code.

2. Payment of Agency Costs. FOCIL and COLP hereby acknowledge and agree that the costs incurred by the Agency and the City Agencies in connection with the negotiation of the Term Sheet and the agreements contemplated by the Term Sheet, including, without limitation, the MOU, the Affordable Housing Agreements, and this Second Amendment, shall be deemed, under Article 6 of the South OPA, to be Agency Costs related to its review and approval of the proposed development of the UC Expansion Parcels, for which COLP and/or FOCIL shall be jointly and severally liable, to the extent that Article 6 of the South OPA obligates the Owner for such Agency Costs.

3. Agency's Consent to COLP's Transfer to The Regents and Release. Notwithstanding Article 14 of the South OPA requiring the delivery to the Agency of an agreement (the "Assumption Agreement") of the transferee to assume all of the transferor's obligations under the South OPA with respect to the transferred parcels, the Agency, subject to the terms and conditions of this Section 3, hereby approves and consents to the Transfer by COLP of the UC Expansion Parcels to The Regents without the delivery of an Assumption Agreement by The Regents. Subject to (i) The Regents' exercise of the Option to Lease in accordance with the terms and upon the satisfaction of the conditions set forth in the Option to Lease, (ii) The Regents' execution and delivery to the Agency of the DDA and MOU, (iii) receipt of any written approval(s) of the form and/or substance of the DDA and/or any MOU required to be obtained by The Regents from COLP under the terms of the Option to Lease, (iv) the execution and delivery by The Regents and COLP of the Lease, and (v) the Agency's receipt of written confirmation from COLP and FOCIL that the conditions described in clauses (i), (iii) and (iv) above (collectively, the "Approval Conditions") have been satisfied, and effective as of the time specified in Section 3.4 below:

3.1. the Agency hereby consents to the Transfer by COLP of the UC Expansion Parcels to The Regents resulting from the execution and delivery of the Lease, as well as any subsequent Transfer resulting from The Regents' exercise of the option to purchase the UC Expansion Parcels granted under the Option to Purchase;

3.2. except as otherwise expressly provided in this Second Amendment and the MOU, the Agency hereby acknowledges and agrees that in connection with the Transfer to The Regents of the UC Expansion Parcels, The Regents shall not be required to deliver a Tax Allocation Debt Promissory Note to the Agency; and

3.3. the Agency hereby unconditionally and irrevocably fully releases and discharges COLP, COLP's parent, affiliated and subsidiary companies, and COLP's or such companies' officers, directors, shareholders, agents, employees and attorneys, and their respective

successors and assigns (collectively, the "COLP Affiliates") from the obligations of Owner under the South OPA applicable to the UC Expansion Parcels, including, without limitation, the following obligations (as to which the Agency has determined that The Regents sponsors or participates in substantially equivalent programs): (i) under the Program in Diversity/Economic Development, which is Attachment H to the South OPA, (ii) under the Transportation System Management Plan, including any obligation to participate in or require its transferees to participate in the Transportation Management Association with respect to the UC Expansion Parcels, (iii) to cause the UC Expansion Parcels to be subject to the Master Commercial Declaration, or (iv) to participate in or cause its transferees to participate in the Community Emergency Preparedness Plan described in Attachment L to the South OPA. Without limiting the generality of the foregoing, the Agency acknowledges and agrees that neither COLP nor any COLP Affiliates shall be liable for any default by The Regents in the performance of The Regents' obligations to the Agency or the City with respect to the UC Expansion Parcels under any agreements between The Regents and the City and/or the Agency (including, without limitation, the DDA or the MOU), and no default by The Regents with respect to any such obligations shall entitle the Agency to modify or terminate the South OPA, or otherwise affect any rights of COLP or any COLP Affiliates thereunder, with respect to any portion of the South Plan Area other than the UC Expansion Parcels. With respect to the foregoing release, the Agency hereby acknowledges that such release is made with the advice of counsel and with full knowledge and understanding of the consequences and effects of such release. Further, as to unknown and unsuspected claims as of the date this release becomes effective, the Agency hereby acknowledges that such release is made with the full knowledge, understanding and agreement that California Civil Code §1542 provides as follows, and the Agency hereby agrees that the protection afforded by said Code Section and any similar law of the State of California or any other jurisdiction is specifically waived:

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

Redevelopment Agency of the City And County of San Francisco

By: *Maria Rose*

3.4. The Agency shall give prompt written notice to COLP and FOCIL of the date on which the Approval Condition described in clause (ii) of Section 3 above has occurred. COLP and FOCIL shall give prompt written notice to the Agency of the date on which each of the Approval Conditions described in clauses (i), (iii) and (iv) of Section 3 above has been satisfied. Agency's consent (as described in Section 3.1 above) to the Transfer resulting from the execution and delivery of the Lease shall be effective as of the date specified, in the notice given by COLP and FOCIL to Agency pursuant to this Section, as the date of execution and delivery of the Lease by The Regents and COLP.

3.5. the Agency hereby expressly acknowledges and agrees that upon Transfer of the UC Expansion Parcels to The Regents, neither FOCIL nor any of FOCIL's parent, affiliated and subsidiary companies, nor any of FOCIL's or such companies' officers, directors, shareholders, agents, employees and attorneys, and their respective successors and assigns (collectively, "FOCIL Affiliates") shall be liable for any default by The Regents in the performance of The Regents' obligations to the Agency or the City with respect to the UC Expansion Parcels under any agreements between The Regents and the City and/or the Agency, and no default by The Regents with respect to any such obligations shall entitle the Agency to modify or terminate the South OPA, or otherwise affect any rights or obligations of any person or entity under the South OPA, with respect to any portion of the South Plan Area other than the UC Expansion Parcels.

3.6. the Agency hereby expressly acknowledges and agrees that upon Transfer of the UC Expansion Parcels to The Regents, consistent with the terms of this Second Amendment, and for so long thereafter as The Regents uses the UC Expansion Parcels in furtherance of the charitable, scientific, research, educational and public service purposes of the University of California, San Francisco ("UCSF") consistent with the mission of The Regents under the Constitution of the State of California, the effect of the Redevelopment Plan, the South OPA and other Plan Documents will be suspended and will not apply to the UC Expansion Parcels, as more fully described in Section 4 of the MOU. Should The Regents or any successor at any time or from time to time during the term of the Redevelopment Plan, either engage in any use, or Transfer all or any portion of the UC Expansion Parcels to any entity for any use, that is not in furtherance of such charitable, scientific, research, educational and public service purposes (other than customary retail uses incidental to The Regents' permitted clinical uses, including, but not limited to, use as a pharmacy, for sale of sundries, or for casual dining establishments), or in the event the Lease is terminated (other than in connection with a purchase by the UC Regents of the UC Expansion Parcels), then the Redevelopment Plan, South OPA and other Plan Documents shall once again automatically apply to, and be binding upon and benefit, the UC Expansion Parcels (or the relevant portion thereof) and the owner or owners thereof, during such period that the property is used for a purpose that is not constitutionally exempt from local land use regulations, or until the Redevelopment Plan expires, whichever occurs first. Upon written request by the Agency, the owner of the UC Expansion Parcels (or relevant portion thereof) shall execute and deliver a written agreement, in recordable form, reaffirming its rights and obligations under the Redevelopment Plan, South OPA and other Plan Documents as they apply to such property, provided, however, that the absence of a written agreement shall not relieve the owner of the UC Expansion Parcels (or relevant portion thereof) from any applicable obligations. In addition, should The Regents or any successor, at any time or from time to time after the Redevelopment Plan expires, either engage in any use, or Transfer all or any portion of the UC Expansion Parcels to any entity for any use, that is not in furtherance of educational purposes of UCSF consistent with the mission of The Regents under the State Constitution (other than certain retail uses as provided above), then local planning regulations shall apply to such property during such period that the property is used for a purpose that is not constitutionally exempt from local land use regulations, and The Regents (or its Transferee, as applicable) shall furnish a Tax Allocation Debt Promissory Note (as defined in the Financing Plan) to the Agency consistent with the Financing Plan. None of the foregoing provisions relating to the suspension of the Plan

Documents or local land regulations, or the reimposition thereof as provided above, shall be deemed to affect in any way any determination about whether or not a particular use of the UC Expansion Parcels is exempt from property taxes or any other state or local tax or similar imposition.

4. Reaffirmation of Obligations by FOCIL. Notwithstanding Sections 3 and 7 of this Second Amendment, FOCIL, for the benefit of the Agency, reaffirms its obligation to perform the Transferred OPA Obligations (as defined in the FOCIL Assignment) to the extent such Transferred OPA Obligations remain unfulfilled as of the Effective Date.

5. No Adverse Change on Entitlements for Balance of Plan Area. Notwithstanding the Agency's consent to the Transfer of the UC Expansion Parcels to The Regents, the Agency acknowledges and agrees that none of COLP, FOCIL or any other owner or tenant (that derives its interest through either COLP, FOCIL or their respective affiliates) of the South Plan Area or the Mission Bay North Plan Area (the "North Plan Area") will lose any of the entitled development potential for the balance of their respective land (excluding the UC Expansion Parcels) or any of their respective rights and privileges with respect to such land under any of their respective agreements with the Agency, as the result of Agency's consent to the Transfer, or as the result of any use or development of the UC Expansion Parcels by The Regents consistent with the MOU. Specifically with respect to the South Plan Area, the Agency's approval of the Transfer referenced herein shall not result in any of the following with respect to the balance of the land that is subject to the South OPA (excluding the UC Expansion Parcels, the UCSF campus site, any other property acquired by The Regents, and Blocks X3 and X4) (the "Remainder Parcels"), and assuming that The Regents comply with the 1,020,000 Floor Rentable Area limitation of development on the UC Expansion Parcels:

5.1. any reduction of the number of market-rate Dwelling Units permitted to be developed in the South Plan Area below 1,935 plus additional units allowed under Section 3.4.3 of the South OPA, if any;

5.2. any reduction below 190,000 Leasable square feet in the number of square feet of retail uses permitted to be developed in the South Plan Area (this figure excludes 40,000 Leasable square feet of retail uses allocated under the Redevelopment Plan and the Option to Lease to the UC Expansion Parcels);

5.3. any reduction below 3,980,000 Leaseable square feet in the number of square feet of Commercial Industrial uses permitted to be developed in the South Plan Area (such figure excludes X3, X4 and the 1,020,000 Leasable square feet of Commercial Industrial uses allocated under the Redevelopment Plan and the Option to Lease for the UC Expansion Parcels);

5.4. any reduction below 500 in the number of hotel rooms permitted to be developed in the South Plan Area;

5.5. any reduction in the maximum number of parking spaces permitted on any such property in the South Plan Area (other than the UC Expansion Parcels) below that presently permitted under the Mission Bay South Design for Development (including, but not limited to,

any reduction below two parking spaces for each 1,000 square feet of gross floor area for up to 1,734,000 square feet of gross floor area of life sciences, biotechnology, biomedical, or similar research facility uses within the South Plan Area; or

5.6. any change in the number of the Agency Affordable Housing Units that may be developed as of the date of this Second Amendment in the South Plan Area under the South OPA.

6. Future Amendment/Consent Required. Article 3 of the South OPA is hereby amended to add the following Section:

3.10 Future Amendment/Consent Required. The Agency shall not consent to development on the UC Expansion Parcels by The Regents (to the extent the Agency has any such rights) in excess of 1,020,000 square feet of Floor Rentable Area, or that would result in any adverse change described in Section 5 of the Second Amendment, without in each case obtaining the written consent of FOCIL. The Regents' development of the UC Expansion Parcels shall be measured by applying the definition of "Floor Rentable Area" as defined in the 1996 Building Owners and Managers Association International publication "Standard Method for Measuring Floor Area in Office buildings" to all development on the UC Expansion Parcels, including hospital uses, and each reference to "Leaseable square feet" shall equate to each reference to "Floor Rentable Area".

7. The Regents' Limited Third Party Beneficiary Right.

7.1. The parties to this Second Amendment acknowledge that (i) in connection with The Regents' proposed development of the UC Expansion Parcel, The Regents has agreed to build an affordable housing project containing 160 units on an Agency Affordable Housing Parcel in the South Plan Area containing approximately 1.6 acres, all on terms and conditions contained in the DDA and the MOU, and (ii) The Regents' ability to comply with its obligations to construct the affordable housing project as contemplated under the DDA and the MOU is dependent partly upon the Primary Developer's compliance with its obligation to provide the Affordable Housing Parcel to the Agency in the condition as required in Section 2.5(a) of the Housing Program (Attachment C to the South OPA). Accordingly, the parties to this Second Amendment hereby agree that The Regents shall have the limited exclusive remedy to seek, directly against the Primary Developer, specific performance of the Primary Developer's obligations under Section 2.5(a) of the Housing Program, provided that all of the following conditions have occurred or have been satisfied (as appropriate):

(a) The Regents shall have taken no action (or have failed to take any action required to be taken under any of its agreements with COLP or the Agency), the result of which would be to materially adversely affect the obligations of the Primary Developer or Agency to comply with Section 2.5(a) of the Housing Program;

(b) the Agency or The Regents has delivered all of the notices required under the Housing Program, including, without limitation, Section 3.2 of the Housing Program,

and the Primary Developer has failed to delivered the Agency Affordable Housing Parcel in the required physical condition or within the required time frame, subject to extensions, notice and cure periods and Unavoidable Delay permitted under the South OPA, all as set forth in the Housing Program; and

(c) Notwithstanding the time periods specified in Section 12.1(a) and Section 12.1(b) of the South OPA, The Regents or the Agency has notified the Primary Developer in writing of the Primary Developer's failure to deliver the Agency Affordable Housing Parcel in the condition required by Section 2.5(a) of the Housing Program, and such failure remains uncured for (i) thirty (30) days following the Primary Developer's receipt (or deemed receipt) of such notice, or (ii) such longer reasonable time if such failure cannot be cured within such 30-day period and the Primary Developer has commenced and is diligently pursuing the cure. The notice shall state with reasonable specificity the nature of the Primary Developer's failure to comply with Section 2.5(a) of the Housing Program, and the manner in which such failure may be satisfactorily cured.

7.2. The parties to this Second Amendment hereby acknowledge and agree that except as expressly provided in Section 7.1 above, (i) The Regents shall have no other direct or indirect rights or remedies against the Primary Developer (except as may be provided in other agreements between the Primary Developer and The Regents) in connection with any failure to deliver the Agency Affordable Housing Parcel in the condition required by Section 2.5(a) of the Housing Program, (ii) any enforcement by The Regents of its rights under Section 7.1 of this Second Amendment shall not be a default by the Primary Developer under the South OPA or the Housing Program, and (iii) in no event will The Regents have access to any Available Tax Increment for any purpose under the South OPA.

8. No Reduction in First Source Hiring Fee or Other Required Payments. FOCIL hereby acknowledges and agrees that nothing in this Second Amendment or any of the agreements contemplated by this Second Amendment shall affect, reduce pro rata or diminish in any way the obligations of the Primary Developer to make the \$1,500,000 payment required under the South OPA for the City's first source hiring program or to make any other payments required under the South OPA (including, without limitation, payments under the Housing Plan or Infrastructure Plan), notwithstanding the release of the UC Expansion Parcels from the South OPA on the terms and conditions set forth in this Second Amendment. All such payments shall remain in the full amount specified in the South OPA

9. Transfer of Individual Residential Units.

9.1. Section 14.6 of the South OPA is hereby amended to add the following paragraph after the first paragraph in that Section:

The Agency will not require execution of a Tax Allocation Debt Promissory Note (as defined in the Financing Plan) by any buyers of completed individual Residential Units or by owner's associations in connection with the transfer of Residential Unit project condominium common areas for which, on or prior to the date of sale, a Certificate of Occupancy has been issued. Upon any

such Transfer, any existing Tax Allocation Debt Promissory Note shall terminate and be of no further force or effect as to the Residential Units and common areas so conveyed.

9.2. The Financing Plan (Attachment E to the South OPA) is hereby amended to make the following non-material change, to wit, by adding the following language to the end of the fourth sentence of Section 4.A.iv of the Financing Plan:

, and such obligation shall additionally terminate upon Transfer of an individual Residential Unit of a condominium project (as defined in California Civil Code Sections 783 and 1351(f)) or of the common areas of such a condominium project pursuant to Section 14.6 of the South OPA, except to the extent any such obligation has arisen and is not satisfied on the date of such Transfer.

10. General Provisions.

10.1. South OPA in Full Force and Effect. Except as otherwise amended by this Second Amendment and as previously revised under instruments signed by the Agency and the Primary Developer to reflect various non-material changes to the Infrastructure Plan, all terms, covenants, conditions and provisions of the South OPA shall remain unmodified, and in full force and effect.

10.2. Representations and Warranties By the Parties. The Parties represent and warrant to each other as follows:

(a) Authority and Enforceability. Each party has the power and authority to enter into this Second Amendment. This Second Amendment, when executed and delivered by each of the Parties, will be valid and binding and enforceable against each signatory Party in accordance with its terms.

(b) Advice of Counsel. Each party (i) has had the opportunity to seek the advice of counsel concerning this Agreement and the transactions contemplated thereby, (ii) has been fully advised of the meaning and effect of this Second Amendment and such transactions as are contemplated herein; and (iii) has executed this Second Amendment after independent investigation without reliance on any representation, warranty, promise or inducement not specifically set forth in this Second Amendment.

(c) No Assignment. COLP represents that it has not sold, assigned, transferred, conveyed, pledged, hypothecated or otherwise encumbered or disposed of any right or interest in or to the UC Expansion Parcels or any other property described in Exhibit C-1 hereto, except by a Transfer approved by the Agency or as otherwise permitted under the South OPA. FOCIL represents that it has not sold, assigned, transferred, conveyed, pledged, hypothecated or otherwise encumbered or disposed of any right or interest in or to any property described in Exhibit C-2 hereto, except by a Transfer approved by the Agency or as otherwise permitted under the South OPA.

10.3. Successors and Assigns. This Second Amendment is binding upon and will inure to the benefit of the successors and assigns of the Parties, subject to the limitations on assignment set forth in the South OPA. Where the term "Owner," "Primary Developer," "COLP" or "Agency" is used in this Second Amendment, it means and includes their respective successors and assigns including, but not limited to, as to any permitted Mortgagee, any transferee and any successor or assign of such Transferee of Mortgagee's rights under its Mortgage. Whenever this Second Amendment specifies the Agency as a party or the holder of the right or obligation, if the Agency or a comparable public body that has succeeded to the Agency's rights and obligations no longer exists, then the City (or the State, if applicable) will be deemed to be the successor and assign of the Agency for purposes of this Second Amendment.

10.4. Entire Agreement. This Second Amendment (together with the South OPA) constitutes the entire agreement between the Parties with respect to the subject matter of this Second Amendment and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the terms and conditions mentioned in or incidental to this Second Amendment. No parole evidence of any prior draft of this Second Amendment shall be permitted to contradict or vary the terms of this Second Amendment.

10.5. Further Assurances. The Parties agree to execute and acknowledge such other and further documents as may be necessary or reasonably required to express the intent of the Parties or otherwise effectuate the terms of this Second Amendment. The Agency's Executive Director is authorized to execute on behalf of the Agency any contracts, agreements, memoranda or similar documents with State, regional or local entities or other Persons that are necessary or proper to achieve the purposes and objectives of this Second Amendment and do not materially increase the obligations of the Agency under this Second Amendment, if the Executive Director determines that the document is necessary or proper, consistent with the purposes of this Second Amendment and in the Agency's best interests. The Executive Director's signature of any such document shall conclusively evidence such a determination by him or her.

10.6. No Third Party Beneficiaries. This Second Amendment is made and entered into for the sole protection and benefit of the Parties to this Second Amendment and their successors and assigns. Except for The Regents and the City, which are both intended as third party beneficiaries of this Second Amendment (but only to the extent expressly mentioned or provided in this Second Amendment), no other Person shall have or acquire any right or action based upon any provisions of this Second Amendment.

10.7. Cooperation. In connection with this Second Amendment, FOCIL and COLP, on the one hand, and the Agency on the other shall reasonably cooperate with one another to achieve the objectives and purposes of this Second Amendment.

10.8. Interpretation of Agreement.

(a) Words of Inclusion. The use of the term "including," "such as" or words of similar import when following any general term, statement or matter shall not be construed to limit such term, statement or matter to the specific items or matters, whether or not language of non-limitation is used with reference thereto. Rather, such terms shall be deemed to

refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter.

(b) No Presumption Against Drafter. This Second Amendment has been negotiated at arm's length and amongst Parties sophisticated and knowledgeable in the matters dealt with herein. In addition, each Party has been represented by experienced and knowledgeable legal counsel. Accordingly, this Second Amendment shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the Party responsible for drafting any part of this Second Amendment (including, but not limited to California Civil Code Section 1654).

(c) Costs and Expenses. The Party on which any obligation is imposed in this Second Amendment shall be solely responsible for paying all costs and expenses incurred in the performance of such obligation, unless the provision imposing such obligation specifically provides to the contrary.

(d) References. Wherever reference is made to any provision, term or matter "in this Second Amendment," "herein" or "hereof" or words of similar import, the reference shall be deemed to refer to any and all provisions of this Second Amendment reasonably related thereto in the context of such reference, unless such reference refers solely to a specific numbered or lettered Article, Section or paragraph of this Second Amendment or any specific subdivision of this Second Amendment.

(e) Recitals. The Recitals in this Second Amendment are included for convenience of reference only and are not intended to create or imply covenants under this Second Amendment. In the event of any conflict or inconsistency between the Recitals and the terms and conditions of this Second Amendment, the terms and conditions of this Second Amendment shall control.

(f) Captions. The captions preceding the articles and Sections of this Second Amendment have been inserted for convenience of reference only. Such captions shall not define or limit the scope or intent of any provision of this Second Amendment.

(g) Attachments. Whenever an "Attachment" is referenced, it means an attachment to this Second Amendment unless otherwise specifically identified. All such Attachments are incorporated in this Second Amendment by reference.

10.9. Counterparts. This Second Amendment may be executed in any number of counterparts, all of which together shall constitute the original agreement hereof.

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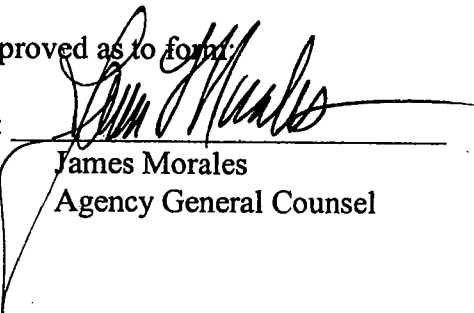
IN WITNESS WHEREOF, the Agency has caused this Second Amendment to be duly executed on its behalf and each of FOCIL and COLP has signed or caused this Second Amendment to be signed by a duly authorized person, all as of the day first above written.

Authorized by Agency Resolution No. 177-2005 adopted on November 1, 2005.

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

Approved as to form:

By:


James Morales
Agency General Counsel

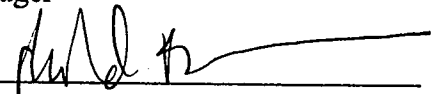
By:


Marcia Rosen
Executive Director

FOCIL-MB, LLC, a Delaware limited liability company

By: Farallon Capital Management, L.L.C., a Delaware limited liability company, its manager


By:


Name: Richard B. Fried
Title: Managing Member

CATELLUS OPERATING LIMITED PARTNERSHIP, a Delaware limited partnership

By: Palmtree Acquisition Corporation, a Delaware corporation, its sole general partner

By:

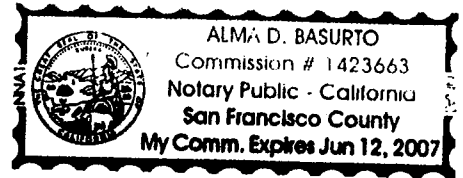

Name: CHRISTIANNE C. CHEN
Title: FIRST VICE PRESIDENT

STATE OF CALIFORNIA)
) ss.
CITY and COUNTY OF SAN FRANCISCO)

On November 16, 2005 before me, the undersigned, a Notary Public in and for said State, personally appeared Marcia Rosen, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Alma D. Basurto (Seal)

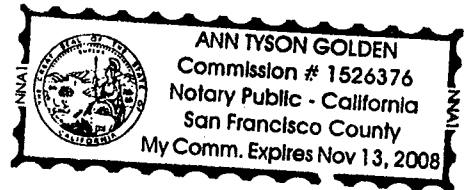


STATE OF CALIFORNIA)
) ss.
CITY and COUNTY OF SAN FRANCISCO)

On 10/31/05, before me, the undersigned, a Notary Public in and for said State, personally appeared Richard B. Friedman personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Ann Tyson Golden (Seal)



STATE OF CALIFORNIA)
) ss.
CITY and COUNTY OF SAN FRANCISCO)

On 10/31/05, before me, the undersigned, a Notary Public in and for said State, personally appeared Christiane Chen personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Ann Tyson Golden (Seal)

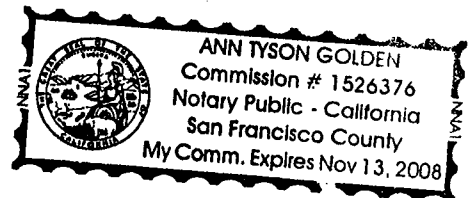
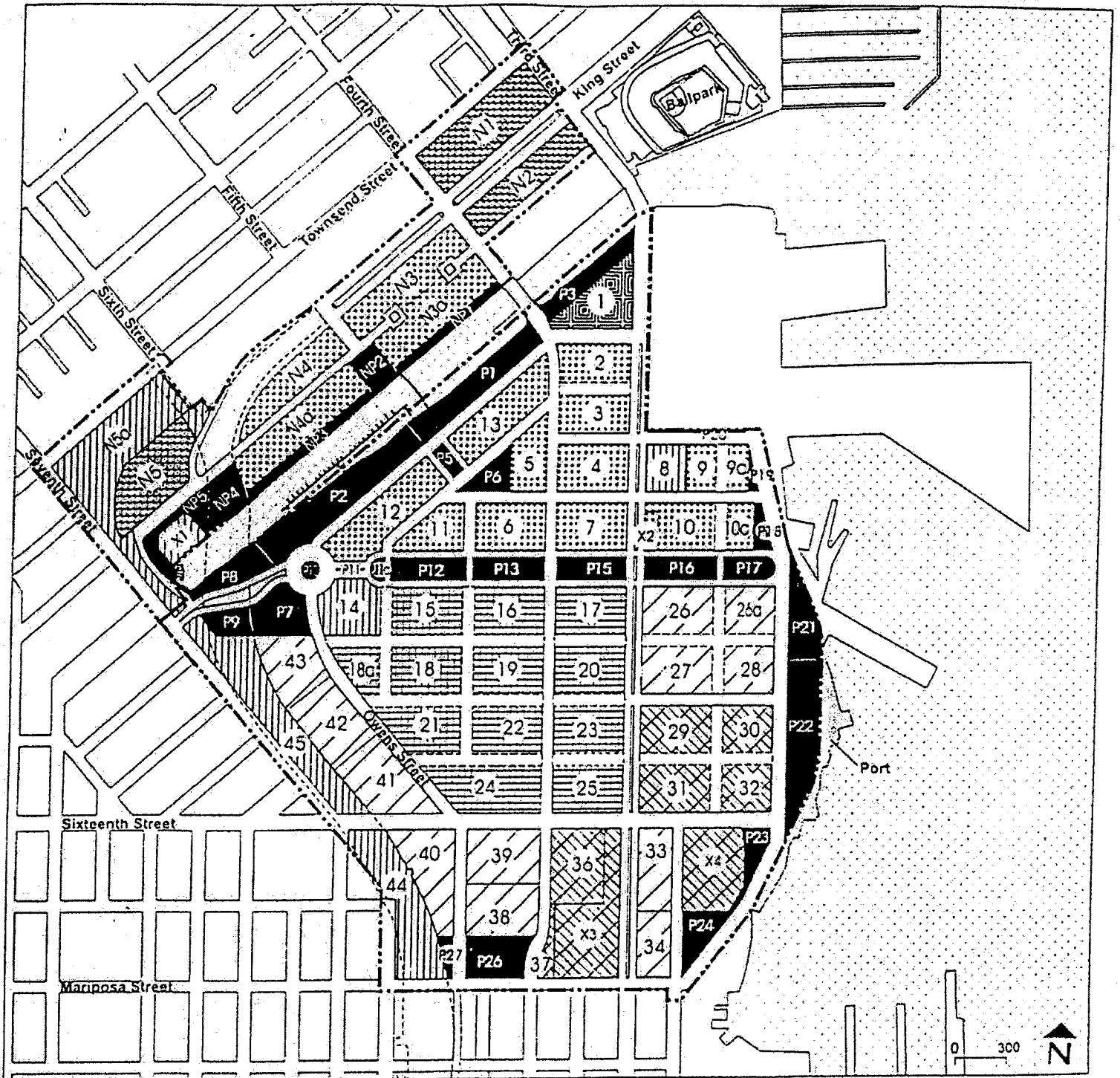










EXHIBIT A
LAND USE MAP



- | | | | |
|--|---|--|--|
|  OPEN SPACE |  HOTEL
(Mixed use including Retail) |  UCSF |  COMMERCIAL INDUSTRIAL /
RETAIL |
|  MISSION BAY RESIDENTIAL
(Mixed use including
neighborhood-serving Retail) |  COMMERCIAL INDUSTRIAL
(Mixed use including
neighborhood serving Retail) |  PUBLIC FACILITIES
(School, Police, Fire, Pump
Station, Rail and Area below
Freeway) |  MISSION BAY NORTH RETAIL
(Mixed use including
Entertainment uses, Housing,
City-serving and neighborhood
Retail) |

MISSION BAY LAND USE PLAN
SAN FRANCISCO, CALIFORNIA

EXHIBIT B

**LEGAL DESCRIPTION OF THE UC EXPANSION PARCELS
(Mission Bay South Blocks 36-39)**

Real property in the City of San Francisco, County of San Francisco, State of California, described as follows:

PARCEL ONE (MISSION BAY SOUTH BLOCKS 36 & 37):

LOT 1, BLOCK 8724, AS SUCH LOT AND BLOCK ARE SHOWN ON THE "MAP OF MISSION BAY" FILED JULY 19, 1999, IN BOOK Z OF MAPS, PAGES 97-119, INCLUSIVE, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA, AS CORRECTED BY THAT CERTAIN "CERTIFICATE OF CORRECTION" RECORDED SEPTEMBER 16, 2002, IN REEL I223, IMAGE 596, AS INSTRUMENT NUMBER 2002-H244619-00, IN THE OFFICE OF SUCH RECORDER.

ASSESSORS PARCEL NUMBER: LOT 001, BLOCK 8724

PARCEL TWO (MISSION BAY SOUTH BLOCKS 38 & 39):

LOT 8, BLOCK 8723, AS DESCRIBED IN THAT CERTAIN "NOTICE OF LOT LINE ADJUSTMENT" EXECUTED BY CATELLUS OPERATING LIMITED PARTNERSHIP, AS SUCCESSOR BY MERGER TO CATELLUS DEVELOPMENT CORPORATION, RECORDED FEBRUARY 9, 2005, REEL I823, IMAGE 241, SERIES NO. 2005-H901114-00, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA, AS FOLLOWS:

ALL LOT AND ASSESSOR'S BLOCK NUMBERS, AND ALL STREETS AND STREET LINES HEREINAFTER MENTIONED ARE IN ACCORDANCE WITH THAT CERTAIN MAP ENTITLED "MAP OF MISSION BAY, MERGER AND RESUBDIVISION", FILED JULY 19, 1999 IN BOOK Z OF MAPS AT PAGES 97 TO 119, INCLUSIVE, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA.

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF MARIPOSA STREET (66.00 FEET WIDE) WITH THE EASTERLY LINE OF PENNSYLVANIA AVENUE (90.00 FEET WIDE); THENCE NORTH 03°10'56" WEST ALONG SAID EASTERLY LINE OF PENNSYLVANIA STREET 556.59 FEET TO THE NORTHEASTERLY LINE OF SEVENTH STREET (82.50 FEET WIDE); THENCE NORTH 43°41'53" WEST ALONG SAID NORTHEASTERLY LINE OF SEVENTH STREET 407.10 FEET TO THE SOUTHERLY LINE OF 16TH STREET (90.00 FEET WIDE); THENCE NORTH 86°49'04" EAST ALONG SAID SOUTHERLY LINE OF 16TH STREET 670.52 FEET TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID SOUTHERLY LINE OF 16TH STREET SOUTH 03°10'56" EAST 400.04 FEET TO THE NORTHEASTERLY CORNER OF THAT CERTAIN

PARCEL LABELED "FORMER 17TH STREET" ON SAID MAP AND CONTAINING 4,488 SQUARE FEET; THENCE SOUTH 03°10'56" EAST ALONG THE EASTERLY LINE OF SAID 4,488 SQUARE FOOT PARCEL 66.00 FEET TO THE SOUTHEASTERLY CORNER OF SAID PARCEL; THENCE LEAVING SAID PARCEL SOUTH 03°10' 56" EAST 150.02 FEET TO THE NORTHEASTERLY CORNER OF LOT 1 OF ASSESSOR'S BLOCK 8727 BEING ALSO A POINT IN LOT 1 OF ASSESSOR'S BLOCK 8723; THENCE NORTH 86°49' 04" EAST 412.83 FEET TO THE EASTERLY LINE OF SAID LOT 1 OF ASSESSOR'S BLOCK 8723 BEING A POINT ON A CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 300.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 73°37'57" EAST; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 19°32'59" AN ARC DISTANCE OF 102.36 FEET; THENCE NORTH 03°10'56" WEST ALONG SAID EASTERLY LINE OF SAID LOT 1 OF ASSESSOR'S BLOCK 8723, A DISTANCE OF 515.67 FEET TO THE SAID SOUTHERLY LINE OF 16TH STREET; THENCE SOUTH 86°49' 04" WEST ALONG SAID SOUTHERLY LINE OF 16TH STREET 430.12 FEET TO THE TRUE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: LOT 008, BLOCK: 8723

EXHIBIT C-1

LEGAL DESCRIPTION OF CATELLUS OWNED PARCELS

(Mission Bay South Blocks 28, 36-40)

Real property in the City of San Francisco, County of San Francisco, State of California, described as follows:

PARCEL ONE: (MISSION BAY SOUTH BLOCK 28)

LOT 11, AS SHOWN ON THE MAP ENTITLED "PARCEL MAP, PLANNED DEVELOPMENT, MISSION BAY, BEING PHASE 1 OF A SUBDIVISION OF LOT 1 OF ASSESSOR'S BLOCK 8721 AS SHOWN ON THAT CERTAIN MAP ENTITLED 'MAP OF MISSION BAY' RECORDED JULY 19, 1999 IN BOOK Z OF MAPS AT PAGES 97-119 IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA," RECORDED DECEMBER 7, 2000, IN BOOK 44 OF PARCEL MAPS, PAGES 151 TO 155, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA, AS CORRECTED BY "CERTIFICATE OF CORRECTION" RECORDED DECEMBER 23, 2002, REEL I 289, IMAGE 324, INSTRUMENT NO. 2002-H319808-00, AND "CERTIFICATE OF CORRECTION" RECORDED DECEMBER 23, 2004, REEL I790, IMAGE 734, INSTRUMENT NO. 2004-H877783-00, IN THE OFFICE OF SUCH RECORDER (SUCH PARCEL MAP AS SO CORRECTED REFERRED TO HEREAFTER AS THE "PARCEL MAP").

EXCEPTING THEREFROM THE FOLLOWING:

AS EXCEPTED AND RESERVED BY THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, A DELAWARE CORPORATION ("SANTA FE"), IN THAT CERTAIN GRANT DEED DATED JANUARY 21, 1987, RECORDED MARCH 31, 1987, IN REEL E309, IMAGE 1138, INSTRUMENT NO. D966411, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, FROM THAT PORTION OF THE ABOVE DESCRIBED REAL PROPERTY LYING WITHIN THE BOUNDARIES OF THE LAND DESCRIBED THEREIN, THE FOLLOWING:

ALL MINERALS, INCLUDING, WITHOUT LIMITING THE GENERALITY THEREOF, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, AS WELL AS METALLIC OR OTHER SOLID MINERALS, PROVIDED THAT SANTA FE SHALL NOT HAVE THE RIGHT TO GO UPON OR USE THE SURFACE OF SAID LAND, OR ANY PART THEREOF, FOR THE PURPOSE OF DRILLING FOR, MINING, OR OTHERWISE REMOVING, ANY OF SAID MINERALS. SANTA FE MAY, HOWEVER, AND RESERVES THE RIGHT TO, REMOVE ANY OF SAID MINERALS FROM SAID LAND BY MEANS OF WELLS, SHAFTS, TUNNELS, OR OTHER MEANS OF ACCESS TO SAID MINERALS WHICH MAY BE CONSTRUCTED, DRILLED OR DUG FROM OTHER LAND, PROVIDED

THAT THE EXERCISE OF SUCH RIGHTS BY SANTA FE SHALL IN NO WAY INTERFERE WITH OR IMPAIR THE USE OF THE SURFACE OF THE ABOVE DESCRIBED REAL PROPERTY OR OF ANY IMPROVEMENTS THEREON.

AS EXCEPTED AND RESERVED FOREVER BY THE STATE OF CALIFORNIA IN THAT CERTAIN PATENT DATED JUNE 14, 1999, TO THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, IN TRUST, RECORDED JULY 19, 1999, IN REEL H429, IMAGE 507, INSTRUMENT NO. 99-G622155-00, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, FROM THAT PORTION OF THE ABOVE DESCRIBED REAL PROPERTY LYING WITHIN THE BOUNDARIES OF MINERAL RIGHTS PARCELS 9, 10, AND 11 DESCRIBED IN SUCH PATENT, THE FOLLOWING.

ALL MINERALS AND ALL MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED IN THE ABOVE REFERRED TO MINERAL RIGHTS PARCELS 9, 10, AND 11, INCLUDING, BUT NOT LIMITED TO, OIL AND GAS AND RIGHTS THERETO, TOGETHER WITH THE SOLE, EXCLUSIVE, AND PERPETUAL RIGHT TO EXPLORE FOR, REMOVE, AND DISPOSE OF THOSE MINERALS BY ANY MEANS OR METHODS SUITABLE TO THE STATE OF CALIFORNIA OR TO ITS SUCCESSORS AND ASSIGNS, BUT WITHOUT ENTERING UPON OR USING THE SURFACE OF THE ABOVE REFERRED TO MINERAL RIGHTS PARCEL 9, 10, AND 11, AND IN SUCH MANNER AS NOT TO DAMAGE THE SURFACE THEREOF OR TO INTERFERE WITH THE USE THEREOF BY THE CITY AND COUNTY OF SAN FRANCISCO, ITS SUCCESSORS AND ASSIGNEES; PROVIDED, HOWEVER, THAT THE STATE OF CALIFORNIA, ITS SUCCESSORS AND ASSIGNS, WITHOUT THE PRIOR WRITTEN PERMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, ITS SUCCESSORS AND ASSIGNEES, SHALL NOT CONDUCT AND MINING ACTIVITIES OF ANY NATURE WHATSOEVER ABOVE A PLANE LOCATED FIVE HUNDRED FEET (500') BELOW THE SURFACE OF THE ABOVE REFERRED TO MINERAL RIGHTS PARCELS 9, 10, AND 11.

PARCEL TWO:

EASEMENTS, APPURTENANT TO PARCEL ONE HEREINABOVE, AS RESERVED IN THAT CERTAIN "DECLARATION OF RESTRICTIONS" DATED OCTOBER 31, 2000, EXECUTED BY CATELLUS DEVELOPMENT CORPORATION, A DELAWARE CORPORATION, RECORDED DECEMBER 7, 2000, REEL H779, IMAGE 402, INSTRUMENT NO. 2000-G873073-00, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, WITHIN THE FOLLOWING PARCEL OF LAND:

LOT D DESCRIBED IN SUCH DECLARATION AND BEING A PORTION OF LOT 12 SHOWN ON THE PARCEL MAP.

PARCEL THREE:

EASEMENT, APPURTENANT TO PARCEL ONE HEREINABOVE, AS RESERVED IN ARTICLE VI OF THAT CERTAIN "MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS FOR MISSION BAY COMMERCIAL" DATE JANUARY 9, 2001, EXECUTED BY CATELLUS DEVELOPMENT CORPORATION, A DELAWARE CORPORATION, RECORDED JANUARY 16, 2001, REEL H804, IMAGE 058, INSTRUMENT NO. 2001-G889923-00, AS AMENDED BY FIRST AND SECOND AMENDMENTS THERETO RECORDED, RESPECTIVELY, AUGUST 17, 2004, REEL I703, IMAGE 226, INSTRUMENT NO. 2004-H78770-00, AND OCTOBER 20, 2004, REEL I747, IMAGE 186, INSTRUMENT NO. 2004-H834740-00, IN THE OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, WITHIN THE FOLLOWING PARCELS OF LAND:

LOTS A, B, AND C SHOWN ON THE PARCEL MAP.

PARCEL FOUR:

A PERPETUAL NON-EXCLUSIVE EASEMENT, APPURTENANT TO PARCEL ONE HEREINABOVE, FOR THE PURPOSE OF PEDESTRIAN AND VEHICULAR INGRESS AND EGRESS, AND PARKING OF AUTOMOBILES AND OTHER VEHICLES IN MARKED AREAS WITHIN THE FOLLOWING DESCRIBED LAND, WHICH EASEMENT IS LIMITED TO ONE (1) PARKING SPACE FOR EACH 1,000 GROSS SQUARE FEET OF OFFICE SPACE CONSTRUCTED FROM TIME TO TIME ON PARCEL ONE HEREINABOVE, AS GRANTED TO MISSION BAY S26A/S28, LLC, A DELAWARE LIMITED LIABILITY COMPANY, PURSUANT TO THAT CERTAIN "ACCESS AND PARKING EASEMENT AGREEMENT (BLOCK 28)," DATED APRIL 20, 2001, RECORDED APRIL 20, 2001, IN REEL H871, IMAGE 207, INSTRUMENT NO. 2001-G933660-00, AS AMENDED BY FIRST AMENDMENT THERETO RECORDED OCTOBER 29, 2004, IN REEL I754, IMAGE 060, INSTRUMENT NO. 2004-H841647-00, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA:

THE FOLLOWING DESCRIPTION IS IN ACCORDANCE WITH THAT CERTAIN MAP ENTITLED "MAP OF MISSION BAY", RECORDED ON JULY 19, 1999 IN BOOK Z OF MAPS AT PAGES 97 THROUGH 119 IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.

BEGINNING AT THE NORTHEASTERLY-MOST CORNER OF ASSESSOR'S BLOCK 8722/1 AS SHOWN SAID MAP OF MISSION BAY AND PROCEEDING SOUTH 86° 49' 04" WEST, 90.01 FEET ALONG THE NORTHERLY LINE OF SAID ASSESSOR'S BLOCK 8722/1 TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE LEAVING SAID NORTHERLY LINE AND PROCEEDING CLOCKWISE AROUND THE LAND THE SUBJECT OF THIS DESCRIPTION THE FOLLOWING COURSES AND DISTANCES: SOUTH 03° 10' 56" EAST, 275.00 FEET TO A POINT ON THE NORTHERLY

LINE OF SAID ASSESSOR'S BLOCK 8722/1, THENCE ALONG SAID NORTHERLY LINE NORTH 86° 49' 04" EAST, 361.95 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL TWO (MISSION BAY SOUTH BLOCKS 36 & 37):

LOT 1, BLOCK 8724, AS SUCH LOT AND BLOCK ARE SHOWN ON THE "MAP OF MISSION BAY" FILED JULY 19, 1999, IN BOOK Z OF MAPS, PAGES 97-119, INCLUSIVE, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA, AS CORRECTED BY THAT CERTAIN "CERTIFICATE OF CORRECTION" RECORDED SEPTEMBER 16, 2002, IN REEL I223, IMAGE 596, AS INSTRUMENT NUMBER 2002-H244619-00, IN THE OFFICE OF SUCH RECORDER.

ASSESSORS PARCEL NUMBER: LOT 001, BLOCK 8724

PARCEL THREE (MISSION BAY SOUTH BLOCKS 38 & 39):

LOT 8, BLOCK 8723, AS DESCRIBED IN THAT CERTAIN "NOTICE OF LOT LINE ADJUSTMENT" EXECUTED BY CATELLUS OPERATING LIMITED PARTNERSHIP, AS SUCCESSOR BY MERGER TO CATELLUS DEVELOPMENT CORPORATION, RECORDED FEBRUARY 9, 2005, REEL I823, IMAGE 241, SERIES NO. 2005-H901114-00, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA, AS FOLLOWS:

ALL LOT AND ASSESSOR'S BLOCK NUMBERS, AND ALL STREETS AND STREET LINES HEREINAFTER MENTIONED ARE IN ACCORDANCE WITH THAT CERTAIN MAP ENTITLED "MAP OF MISSION BAY, MERGER AND RESUBDIVISION", FILED JULY 19, 1999 IN BOOK Z OF MAPS AT PAGES 97 TO 119, INCLUSIVE, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA.

COMMENCING AT THE INTERSECTION OF THE NORTHERLY LINE OF MARIPOSA STREET (66.00 FEET WIDE) WITH THE EASTERLY LINE OF PENNSYLVANIA AVENUE (90.00 FEET WIDE); THENCE NORTH 03°10'56" WEST ALONG SAID EASTERLY LINE OF PENNSYLVANIA STREET 556.59 FEET TO THE NORTHEASTERLY LINE OF SEVENTH STREET (82.50 FEET WIDE); THENCE NORTH 43°41'53" WEST ALONG SAID NORTHEASTERLY LINE OF SEVENTH STREET 407.10 FEET TO THE SOUTHERLY LINE OF 16TH STREET (90.00 FEET WIDE); THENCE NORTH 86°49'04" EAST ALONG SAID SOUTHERLY LINE OF 16TH STREET 670.52 FEET TO THE TRUE POINT OF BEGINNING; THENCE LEAVING SAID SOUTHERLY LINE OF 16TH STREET SOUTH 03°10'56" EAST 400.04 FEET TO THE NORTHEASTERLY CORNER OF THAT CERTAIN PARCEL LABELED "FORMER 17TH STREET" ON SAID MAP AND CONTAINING 4,488 SQUARE FEET; THENCE SOUTH 03°10'56" EAST ALONG THE EASTERLY LINE OF SAID 4,488 SQUARE FOOT PARCEL 66.00 FEET TO THE SOUTHEASTERLY CORNER OF SAID PARCEL; THENCE LEAVING SAID PARCEL SOUTH 03°10' 56" EAST 150.02

FET TO THE NORTHEASTERLY CORNER OF LOT 1 OF ASSESSOR'S BLOCK 8727 BEING ALSO A POINT IN LOT 1 OF ASSESSOR'S BLOCK 8723; THENCE NORTH 86°49' 04" EAST 412.83 FEET TO THE EASTERLY LINE OF SAID LOT 1 OF ASSESSOR'S BLOCK 8723 BEING A POINT ON A CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 300.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 73°37'57" EAST; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 19°32'59" AN ARC DISTANCE OF 102.36 FEET; THENCE NORTH 03°10'56" WEST ALONG SAID EASTERLY LINE OF SAID LOT 1 OF ASSESSOR'S BLOCK 8723, A DISTANCE OF 515.67 FEET TO THE SAID SOUTHERLY LINE OF 16TH STREET; THENCE SOUTH 86°49' 04" WEST ALONG SAID SOUTHERLY LINE OF 16TH STREET 430.12 FEET TO THE TRUE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: LOT 008, BLOCK: 8723

EXHIBIT C-2

**LEGAL DESCRIPTION OF FOCIL OWNED PARCELS
(Mission Bay South Blocks 1, 7, 9, 9a, 26a, 33 & 34, 40)**

MISSION BAY SOUTH BLOCK 1

Real property in the City of San Francisco, County of San Francisco, State of California, described as follows:

BEGINNING AT THE MOST NORTHERLY CORNER OF LOT 1 IN ASSESSOR'S BLOCK 8715, AS SAID LOT AND BLOCK ARE SHOWN ON THAT CERTAIN MAP ENTITLED "MAP OF MISSION BAY THE MERGER AND RESUBDIVISION OF THE LANDS WITHIN THE DISTINCTIVE BORDER OF EACH PARCEL SHOWN THEREIN AND ON THE MATRIX EXHIBIT ON SHEET 22 OF 23 OF THE MAP, CITY OF SAN FRANCISCO, SAN FRANCISCO COUNTY, CALIFORNIA" FILED JULY 19, 1999, IN BOOK Z OF MAPS AT PAGE 97-119, INCLUSIVE, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, SAID POINT OF BEGINNING BEING ON THE WESTERLY LINE OF THIRD STREET; THENCE ALONG THE NORTHWESTERLY LINE OF SAID LOT 1 AND ALONG THE NORTHWESTERLY LINE OF LOT 1, IN ASSESSOR'S BLOCK 8714, AS SAID LOT AND BLOCK ARE SHOWN ON SAID MAP, S46 DEG. 18' 07" W 628.10 FEET TO THE NORTHEASTERLY LINE OF FOURTH STREET; THENCE ALONG SAID LINE OF FOURTH STREET S43 DEG. 41' 53" E 59.01 FEET; THENCE N 86 DEG. 49' 04" E 325.48 FEET; THENCE N 16 DEG. 51' 57" W 261.60 FEET; THENCE N 73 DEG. 08' 03" E 180.70 FEET TO THE WESTERLY LINE OF THIRD STREET; THENCE ALONG SAID LINE OF THIRD STREET N 3 DEG. 10' 56 " W 155.98 FEET TO THE POINT OF BEGINNING, AS SET FORTH IN THAT CERTAIN CONDITIONAL CERTIFICATE OF COMPLIANCE, RECORDED ON AUGUST 30, 2000, AS DOCUMENT NO. 2000-G822047-00, REEL H712, IMAGE 0294.

ASSESSOR'S PARCEL NUMBER: LOT 002, BLOCK 8715

MISSION BAY SOUTH BLOCK 7 (remaining portion)

Real property in the City of San Francisco, County of San Francisco, State of California, described as follows:

PARCEL ONE:

LOT 1, BLOCK 8712, AS SUCH LOT AND BLOCK ARE SHOWN ON THAT CERTAIN "MAP OF MISSION BAY" FILED JULY 19, 1999 IN BOOK "Z" OF MAPS, PAGES 97 THROUGH 119, INCLUSIVE, IN THE OFFICE OF THE RECORDER OF SUCH CITY AND COUNTY OF SAN FRANCISCO, AS CORRECTED BY THAT CERTAIN "CERTIFICATE OF CORRECTION" RECORDED SEPTEMBER 16, 2002 IN BOOK I223, PAGE 596 AS INSTRUMENT NUMBER 2002-H244619-00, IN THE OFFICE OF SUCH RECORDER.

PARCEL TWO:

A NON-EXCLUSIVE EASEMENT, APPURTENANT TO PARCEL ONE HEREINABOVE, SOLELY FOR PEDESTRIAN AND VEHICULAR ACCESS TO AND EGRESS FROM SAID PARCEL ONE AND FOR ROADWAY PURPOSES, AS GRANTED TO CATELLUS DEVELOPMENT CORPORATION, A DELAWARE CORPORATION, PURSUANT TO THAT CERTAIN "EASEMENT AGREEMENT (CATELLUS ACCESS EASEMENT)" DATED JUNE 30, 1999, RECORDED JULY 19, 1999 IN BOOK H429, PAGE 532, INSTRUMENT NO. 99-G622180-00, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, ON AND OVER THOSE PORTIONS OF FORMER SIXTH STREET BETWEEN FORMER CHANNEL STREET AND SIXTEENTH STREET DESCRIBED IN EXHIBIT A THERETO AND REFERRED TO THEREIN AS PARCEL 1 (SV-36), PARCEL 2 (SV-38), PARCEL 3 (SV-39), PARCEL 4 (A PORTION OF SV-43) AND PARCEL 5 (SV-37).

APN: LOT 001, BLOCK 8712

MISSION BAY SOUTH BLOCK 9

Real property in the City of San Francisco, County of San Francisco, State of California, described as follows:

LOT 3 OF BLOCK 8719, AS SAID LOT AND BLOCK ARE SHOWN ON THAT CERTAIN MAP ENTITLED "FINAL MAP – PLANNED DEVELOPMENT MISSION BAY (9-9A AND 10-10A), BEING PHASE ONE OF A PLANNED DEVELOPMENT OF ASSESSOR'S BLOCK 8719, LOT 1 AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP OF MISSION BAY" RECORDED ON JULY 19, 1999 IN BOOK Z OF MAPS, PAGES 97 THROUGH 119, RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA AND A MERGER AND RESUBDIVISION OF ASSESSOR'S BLOCK 8720, LOT 1 AS SHOWN ON SAID MAP AND 8720, LOT 11 AS DESCRIBED IN THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED ON DECEMBER 12, 2001 IN BOOK 1032, IMAGE 267, IN THE OFFICE OF SAID RECORDER", FILED MAY 31, 2005 IN BOOK BB OF MAPS, PAGES 6 THROUGH 10, INCLUSIVE, RECORDS OF SUCH CITY AND COUNTY OF SAN FRANCISCO.

MISSION BAY SOUTH BLOCK 9A

Real property in the City of San Francisco, County of San Francisco, State of California, described as follows:

LOT 5 OF BLOCK 8719, AS SAID LOT AND BLOCK ARE SHOWN ON THAT CERTAIN MAP ENTITLED "FINAL MAP – PLANNED DEVELOPMENT MISSION BAY (9-9A AND

10-10A), BEING PHASE ONE OF A PLANNED DEVELOPMENT OF ASSESSOR'S BLOCK 8719, LOT 1 AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP OF MISSION BAY" RECORDED ON JULY 19, 1999 IN BOOK Z OF MAPS, PAGES 97 THROUGH 119, RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA AND A MERGER AND RESUBDIVISION OF ASSESSOR'S BLOCK 8720, LOT 1 AS SHOWN ON SAID MAP AND 8720, LOT 11 AS DESCRIBED IN THAT CERTAIN CERTIFICATE OF COMPLIANCE RECORDED ON DECEMBER 12, 2001 IN BOOK 1032, IMAGE 267, IN THE OFFICE OF SAID RECORDER", FILED MAY 31, 2005 IN BOOK BB OF MAPS, PAGES 6 THROUGH 10, INCLUSIVE, RECORDS OF SUCH CITY AND COUNTY OF SAN FRANCISCO.

MISSION BAY SOUTH BLOCK 26A

Real property in the City of San Francisco, County of San Francisco, State of California, described as follows:

PARCEL ONE:

LOT 10, AS SHOWN ON THE MAP ENTITLED "PARCEL MAP, PLANNED DEVELOPMENT, MISSION BAY, BEING PHASE 1 OF A SUBDIVISION OF LOT 1 OF ASSESSOR'S BLOCK 8721 AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP OF MISSION BAY" RECORDED JULY 19, 1999 IN BOOK Z OF MAPS AT PAGES 97-119 IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA", RECORDED DECEMBER 7, 2000 IN BOOK 44 OF PARCEL MAPS, PAGES 151 TO 155, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA, AS CORRECTED BY "CERTIFICATE OF CORRECTION" RECORDED DECEMBER 23, 2002, REEL I289, IMAGE 324, SERIES NO. 2002-319808-00, IN THE OFFICE OF SUCH RECORDER (SUCH PARCEL MAP AS SO CORRECTED REFERRED TO HEREAFTER AS THE "PARCEL MAP").

EXCEPTING THEREFROM THE FOLLOWING:

AS EXCEPTED AND RESERVED BY THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, A DELAWARE CORPORATION ("SANTA FE"), IN THAT CERTAIN GRANT DEED DATED JANUARY 21, 1987, RECORDED MARCH 31, 1987, IN REEL E309, IMAGE 1138, SERIES NO. D966411, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, FROM THAT PORTION OF THE ABOVE DESCRIBED REAL PROPERTY LYING WITHIN THE BOUNDARIES OF THE LAND DESCRIBED THEREIN, THE FOLLOWING:

ALL MINERALS, INCLUDING, WITHOUT LIMITING THE GENERALITY THEREOF, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, AS WELL AS METALLIC OR OTHER SOLID MINERALS, PROVIDED THAT SANTA FE SHALL NOT HAVE THE RIGHT TO GO UPON OR USE THE SURFACE OF SAID LAND, OR ANY PART THEREOF, FOR THE PURPOSE OF DRILLING FOR, MINING OR OTHERWISE REMOVING, ANY OF SAID MINERALS. SANTA FE MAY, HOWEVER, AND RESERVES

THE RIGHT TO, REMOVE ANY OF SAID MINERALS FROM SAID LAND BY MEANS OF WELLS, SHAFTS, TUNNELS OR OTHER MEANS OF ACCESS TO SAID MINERALS WHICH MAY BE CONSTRUCTED, DRILLED OR DUG FROM OTHER LAND, PROVIDED THAT THE EXERCISE OF SUCH RIGHTS BY SANTA FE SHALL IN NO WAY INTERFERE WITH OR IMPAIR THE USE OF THE SURFACE OF THE ABOVE DESCRIBED REAL PROPERTY OR OF ANY IMPROVEMENTS THEREON.

AS EXCEPTED AND RESERVED FOREVER BY THE STATE OF CALIFORNIA IN THAT CERTAIN PATENT DATED JUNE 14, 1999 TO THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, IN TRUST, RECORDED JULY 19, 1999 IN REEL H429, IMAGE 507, SERIES NO. 99-G622155-00, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, FROM THAT PORTION OF THE ABOVE DESCRIBED REAL PROPERTY LYING WITHIN THE BOUNDARIES OF MINERAL RIGHTS PARCELS 9, 10 AND 11 DESCRIBED IN SUCH PATENT, THE FOLLOWING:

ALL MINERALS AND ALL MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED IN THE ABOVE REFERRED TO MINERAL RIGHTS PARCELS 9, 10 AND 11, INCLUDING BUT NOT LIMITED TO, OIL AND GAS AND RIGHTS THERETO, TOGETHER WITH THE SOLE, EXCLUSIVE AND PERPETUAL RIGHT TO EXPLORE FOR, REMOVE AND DISPOSE OF THOSE MINERALS BY ANY MEANS OR METHODS SUITABLE TO THE STATE OF CALIFORNIA OR TO ITS SUCCESSORS AND ASSIGNS, BUT WITHOUT ENTERING UPON OR USING THE SURFACE OF THE ABOVE REFERRED TO MINERAL RIGHTS PARCELS 9, 10 AND 11 AND IN SUCH MANNER AS NOT TO DAMAGE THE SURFACE THEREOF OR TO INTERFERE WITH THE USE THEREOF BY THE CITY AND COUNTY OF SAN FRANCISCO, ITS SUCCESSORS AND ASSIGNEES; PROVIDED, HOWEVER, THAT THE STATE OF CALIFORNIA, ITS SUCCESSORS AND ASSIGNS, WITHOUT THE PRIOR WRITTEN PERMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, ITS SUCCESSORS AND ASSIGNEES, SHALL NOT CONDUCT ANY MINING ACTIVITIES OF ANY NATURE WHATSOEVER ABOVE A PLANE LOCATED FIVE HUNDRED FEET (500') BELOW THE SURFACE OF THE ABOVE REFERRED TO MINERAL RIGHTS PARCELS 9, 10 AND 11.

ASSESSOR'S PARCEL NUMBER: LOT 010, BLOCK 8721

PARCEL TWO:

EASEMENTS, APPURTENANT TO PARCEL ONE HEREINABOVE, AS RESERVED IN THAT CERTAIN "DECLARATION OF RESTRICTIONS" DATED OCTOBER 31, 2000, EXECUTED BY CATELLUS DEVELOPMENT CORPORATION, A DELAWARE CORPORATION, RECORDED DECEMBER 7, 2000, REEL H779, IMAGE 402, SERIES NO. 2000-G873073, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, WITHIN THE FOLLOWING PARCEL OF LAND:

LOT D DESCRIBED IN SUCH DECLARATION AND BEING A PORTION OF LOT 12 SHOWN ON THE PARCEL MAP.

PARCEL THREE:

EASEMENTS, APPURTENANT TO PARCEL ONE HEREINABOVE, AS RESERVED IN ARTICLE VI OF THAT CERTAIN "MASTER DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENT FOR MISSION BAY COMMERCIAL" DATED JANUARY 9, 2001, EXECUTED BY CATELLUS DEVELOPMENT CORPORATION, A DELAWARE CORPORATION, RECORDED JANUARY 16, 2001, REEL H604, IMAGE 058, SERIES NO. 2001-G889923-00, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, WITHIN THE FOLLOWING PARCELS OF LAND:

LOTS A, B AND C SHOWN ON THE PARCEL MAP.

MISSION BAY SOUTH BLOCKS 33 & 34

Real property in the City of San Francisco, County of San Francisco, State of California, described as follows:

PARCEL ONE:

LOT 1, BLOCK 8725, AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP OF MISSION BAY", RECORDED JULY 19, 1999, IN BOOK Z OF MAPS, PAGES 97-199, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA, AS CORRECTED BY THAT CERTAIN "CERTIFICATE OF CORRECTION" RECORDED SEPTEMBER 16, 2002, IN REEL I223, IMAGE 596, AS INSTRUMENT NUMBER 2002-H244619-00, IN THE OFFICE OF SUCH RECORDER.

EXCEPTING THEREFROM THE FOLLOWING:

AS EXCEPTED AND RESERVED FOREVER BY THE STATE OF CALIFORNIA IN THAT CERTAIN PATENT DATED JUNE 14, 1999, TO THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, IN TRUST, RECORDED JULY 19, 1999, IN REEL H429, IMAGE 507, SERIES NO. 99-G622155-00, OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, FROM THAT PORTION OF THE ABOVE DESCRIBED REAL PROPERTY LYING WITHIN THE BOUNDARIES OF MINERAL RIGHTS PARCEL 11 DESCRIBED IN SUCH PATENT, THE FOLLOWING:

ALL MINERALS AND ALL MINERAL RIGHTS OF EVERY KIND AND CHARACTER NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED IN THE ABOVE REFERRED TO MINERAL RIGHTS PARCEL 11, INCLUDING, BUT NOT LIMITED TO, OIL AND GAS AND RIGHTS THERETO, TOGETHER WITH THE SOLE, EXCLUSIVE, AND PERPETUAL RIGHT TO EXPLORE FOR, REMOVE, AND DISPOSE OF THOSE MINERALS BY ANY

MEANS OR METHODS SUITABLE TO THE STATE OF CALIFORNIA OR TO ITS SUCCESSORS AND ASSIGNS, BUT WITHOUT ENTERING UPON OR USING THE SURFACE OF THE ABOVE REFERRED TO MINERAL RIGHTS PARCEL 11, AND IN SUCH MANNER AS NOT TO DAMAGE THE SURFACE THEREOF OR TO INTERFERE WITH THE USE THEREOF BY THE CITY AND COUNTY OF SAN FRANCISCO, ITS SUCCESSORS AND ASSIGNEES; PROVIDED, HOWEVER, THAT THE STATE OF CALIFORNIA, ITS SUCCESSORS AND ASSIGNS, WITHOUT THE PRIOR WRITTEN PERMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, ITS SUCCESSORS AND ASSIGNEES, SHALL NOT CONDUCT ANY MINING ACTIVITIES OF ANY NATURE WHATSOEVER ABOVE A PLANE LOCATED FIVE HUNDRED FEET (500') BELOW THE SURFACE OF THE ABOVE REFERRED TO MINERAL RIGHTS PARCEL 11.

FURTHER EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED IN THAT CERTAIN GRANT DEED DATED OCTOBER 25, 2002, EXECUTED BY CATELLUS DEVELOPMENT CORPORATION, A DELAWARE CORPORATION, TO THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, RECORDED DECEMBER 11, 2002, IN REEL I281, IMAGE 340, DOCUMENT NO. 2002-H309022-00 IN THE OFFICE OF THE SUCH RECORDER.

ASSESSOR'S PARCEL NUMBER: LOT 001, BLOCK 8725 (A PORTION)

PARCEL TWO:

THAT CERTAIN REAL PROPERTY DESCRIBED IN THAT CERTAIN QUITCLAIM DEED DATED NOVEMBER 5, 2002, EXECUTED BY THE CITY AND COUNTY OF SAN FRANCISCO, A CHARTER CITY AND COUNTY, TO CATELLUS DEVELOPMENT CORPORATION, A DELAWARE CORPORATION, RECORDED DECEMBER 11, 2002 IN REEL I281, IMAGE 341, DOCUMENT NO. 2002-H309023-00, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THE LOT AND BLOCK HEREAFTER MENTIONED ARE IN ACCORDANCE WITH THAT CERTAIN MAP ENTITLED "MAP OF MISSION BAY", RECORDED JULY 19, 1999 IN BOOK Z OF MAPS, AT PAGES 97-119, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA.

COMMENCING AT THE MOST NORTHWESTERLY CORNER OF PARCEL 29, AS SAID PARCEL IS DESCRIBED IN THE QUITCLAIM DEED TO THE CITY AND COUNTY OF SAN FRANCISCO, RECORDED JULY 19, 1999 IN REEL H429, PAGE 512, (DOCUMENT NUMBER 99-G622160) OFFICIAL RECORDS OF THE CITY AND COUNTY OF SAN FRANCISCO, SAID POINT OF COMMENCEMENT ALSO BEING THE MOST NORTHWESTERLY CORNER OF BLOCK 8725, LOT 2 AS SHOWN ON SAID MAP (Z MAPS 97);

THENCE, EASTERLY ALONG THE NORTHERLY BOUNDARY LINE OF SAID PARCEL 29, SAID LINE ALSO BEING THE NORTHERLY LINE OF SAID LOT 2, NORTH 66 DEG. 49' 04" EAST 15.00 FEET TO THE POINT OF BEGINNING.

THENCE, ALONG THE EXTERIOR BOUNDARY OF SAID PARCEL 29, SAID LINES ALSO BEING THE EXTERIOR BOUNDARY OF SAID LOT 2, THE FOLLOWING TWO (2) COURSES:

1) NORTH 86 DEG. 49' 04" EAST, 42.21 FEET, TO THE MOST NORTHEASTERLY CORNER OF SAID PARCEL 29 AND SAID LOT 2, SAID CORNER ALSO BEING A POINT OF CUSP ON THE ARC OF A TANGENT CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 44.21 FEET, TO WHICH POINT A RADIAL LINE BEARS NORTH 03 DEG. 10' 56" WEST,

2) WESTERLY, SOUTHWESTERLY AND SOUTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 72 DEG. 42' 00", AN ARC DISTANCE OF 56.10 FEET, TO A POINT THAT BEARS SOUTH 03 DEG. 10' 56" EAST, FROM SAID POINT OF BEGINNING.

THENCE, LEAVING SAID EXTERIOR BOUNDARY LINE OF PARCEL 29 AND SAID LOT 2, ALONG A LINE PARALLEL WITH AND DISTANT 15.00 FEET EASTERLY, MEASURED AT A RIGHT ANGLE, FROM THE WESTERLY BOUNDARY LINE OF SAID PARCEL 29 AND SAID LOT 2, NORTH 03 DEG. 10' 56" WEST, 31.06 FEET, TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: LOT 004, BLOCK 8725

MISSION BAY SOUTH BLOCK 40 (8727-3)

Real property in the City of San Francisco, County of San Francisco, State of California, described as follows:

BLOCK 8727, LOT 3

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

ALL LOT AND ASSESSOR'S BLOCK NUMBERS, AND ALL STREETS AND STREET LINES HEREINAFTER MENTIONED ARE IN ACCORDANCE WITH THAT CERTAIN MAP ENTITLED "MAP OF MISSION BAY, MERGER AND RESUBDIVISION", FILED JULY 19, 1999 IN BOOK Z OF MAPS AT PAGES 97 TO 119 INCLUSIVE, IN THE OFFICE OF THE RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA.

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF MARIPOSA STREET (66.00 FEET WIDE) WITH THE EASTERLY LINE OF PENNSYLVANIA AVENUE (90.00 FEET WIDE); THENCE NORTH 03°10'56" WEST ALONG SAID EASTERLY LINE OF PENNSYLVANIA STREET 556.59 FEET TO THE NORTHEASTERLY LINE OF SEVENTH STREET (82.50 FEET WIDE); THENCE

NORTH 43°41'53" WEST ALONG SAID NORTHEASTERLY LINE OF SEVENTH STREET 407.10 FEET TO THE SOUTHERLY LINE OF 16TH STREET (90.00 FEET WIDE); THENCE NORTH 86°49'04" EAST ALONG SAID SOUTHERLY LINE OF 16TH STREET 670.52 FEET; THENCE LEAVING SAID SOUTHERLY LINE OF 16TH STREET SOUTH 03°10'56" EAST 400.04 FEET TO THE NORTHEASTERLY CORNER OF THAT CERTAIN PARCEL LABELED "FORMER 17TH STREET" ON SAID MAP AND CONTAINING 4,488 SQUARE FEET; THENCE SOUTH 86°49'04" WEST ALONG THE NORTHERLY LINE OF SAID 4,488 SQUARE FOOT PARCEL 68.00 FEET TO THE NORTHWESTERLY CORNER OF SAID PARCEL; THENCE SOUTH 03°10'56" EAST ALONG THE WESTERLY LINE OF SAID 4,488 SQUARE FOOT PARCEL 66.00 FEET TO THE SOUTHWESTERLY CORNER OF SAID PARCEL; THENCE NORTH 86°49'04" EAST ALONG THE SOUTHERLY LINE OF SAID 4,488 SQUARE FOOT PARCEL 68.00 FEET TO THE SOUTHEASTERLY CORNER OF SAID PARCEL; THENCE LEAVING SAID PARCEL SOUTH 03°10'56" EAST 150.02 FEET TO THE NORTHEASTERLY CORNER OF LOT 1 OF ASSESSOR'S BLOCK 8727; THENCE SOUTH 03°10'56" EAST ALONG THE EASTERLY LINE OF SAID LOT 1, A DISTANCE OF 250.02 FEET TO THE SAID NORTHERLY LINE OF MARIPOSA STREET; THENCE SOUTH 86°49'04" WEST ALONG SAID NORTHERLY LINE OF MARIPOSA STREET 68.00 FEET TO THE SOUTHWESTERLY CORNER OF SAID LOT 1; THENCE NORTH 03°10'56" WEST ALONG THE WESTERLY LINE OF SAID LOT 1, A

DISTANCE OF 250.02 FEET TO THE NORTHWESTERLY CORNER OF SAID LOT 1, BEING A POINT IN LOT 1 OF ASSESSOR'S BLOCK 8723; THENCE ALONG THE SOUTHERLY LINE OF LOT 1 OF SAID ASSESSOR'S BLOCK 8723 SOUTH 86°49'04" WEST 138.05 FEET; THENCE CONTINUING ALONG THE SOUTHERLY LINE OF LOT 1 OF SAID ASSESSOR'S BLOCK 8723 SOUTH 03°10'56" EAST 250.02 FEET TO THE SAID NORTHERLY LINE OF MARIPOSA AVENUE; THENCE SOUTH 86°49'04" WEST ALONG SAID NORTHERLY LINE OF MARIPOSA STREET 200.00 FEET TO THE POINT OF BEGINNING.

BEING THE SAME PARCEL SHOWN AS BLOCK 8727, LOT 3, IN THAT CERTAIN, "NOTICE OF LOT LINE ADJUSTMENT," RECORDED FEBRUARY 9, 2005 IN BOOK I823, PAGE 241, AS DOCUMENT NUMBER 2005H901114.

PLUS, THOSE PORTIONS OF BLOCKS 3, 4, 5, 6, 12, AND 13 WHICH ARE AGENCY AFFORDABLE HOUSING PARCELS.

RESOLUTION NO. 177-2005

Adopted November 1, 2005

AUTHORIZING A SECOND AMENDMENT TO THE MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT WITH CATELLUS OPERATING LIMITED PARTNERSHIP, A DELAWARE LIMITED PARTNERSHIP, AND FOCIL-MB, LLC, A DELAWARE LIMITED LIABILITY COMPANY, TO ALLOW FOR THE TRANSFER OF BLOCKS 36-39, THE EXPANSION PARCELS, TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, A CALIFORNIA PUBLIC CORPORATION; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. On September 17, 1998, by Resolution No. 193-98, the Redevelopment Agency of the City and County of San Francisco (the "Agency") Commission (the "Agency Commission") conditionally approved the Mission Bay South Owner Participation Agreement (the "South OPA") and related documents between Catellus Development Corporation ("Catellus") and the Agency for development in the Mission Bay South Redevelopment Project Area (the "Project Area").
2. The conditions to the effectiveness of Resolution No. 193-98 were satisfied by the final adoption of the Board of Supervisors of the City and County of San Francisco adopting Ordinance No. 335-98 adopting the Mission Bay South Redevelopment Plan (the "Plan").
3. On November 16, 1998, the Agency entered into the South OPA with Catellus. The South OPA sets forth phasing principles that govern the development of property in the Project Area. Those principles include Catellus' obligations to deliver to the Agency affordable housing sites as market rate housing is built in the Project Area. They also include Catellus' commitments to construct public open space and other public infrastructure adjacent to – or otherwise triggered by – development on any of the private parcels governed by the South OPA.
4. On February 17, 2004, the Agency Commission, by Resolution No. 23-2004, approved a First Amendment to the South OPA to add a portion of Block 10 to the South OPA and to make various other revisions at Catellus' request.
5. Catellus, the original master developer of the Mission Bay North and South Redevelopment Project Areas, has sold most of its remaining undeveloped land in Mission Bay to FOCIL-MB, LLC, a Delaware limited liability company ("FOCIL-MB"), a subsidiary of Farallon Capital Management, LLC,

a large investment management firm. The sale encompasses approximately 71 acres of land in Mission Bay. FOCIL-MB has assumed all of Catellus' obligations under the Agency's OPAs, as well as all responsibilities under the related public improvement agreements and land transfer agreements with the City and County of San Francisco. FOCIL-MB will be bound by all terms of the OPAs and related agreements, including the requirements of the affordable housing program, equal opportunity program, and design review process.

6. Catellus Operating Limited Partnership, a Delaware limited partnership ("COLP"), a successor by merger to Catellus, and FOCIL-MB are now requesting a second amendment to the South OPA (the "Second Amendment").
7. The proposed Second Amendment provides, among other things, for the terms and conditions upon which the Agency will consent to the transfer of Blocks 36-39 (the "Expansion Parcels") to The Regents of the University of California, a California public corporation ("The Regents"), and for a release of Catellus and FOCIL-MB with respect to certain obligations pertaining to the Expansion Parcels under the South OPA.
8. On November 30, 2004, The Regents released proposed amendments in draft form to its long range development plan, as LRDP Amendment #2. Those amendments contemplate an expansion of the University of California, San Francisco ("UCSF") facilities onto the Expansion Parcels, including the possibility of developing by 2012 new integrated specialty Children's, Women's and Cancer hospitals containing about 210 beds, together with ambulatory and research facilities. In March 2005, The Regents approved LRDP Amendment #2 (the "Project") and certified a related final environmental impact report (the "LRDP #2 FEIR"), which analyzed the environmental effects of the proposed UCSF development on the Expansion Parcels. Copies of the LRDP #2 FEIR are on file with the Agency Secretary.
9. Concurrently herewith, the Agency Commission is also considering the approval of a Memorandum of Understanding between the Agency and The Regents related to the development of the Expansion Parcels, by Resolution No. 176-2005, and the approval of a Disposition and Development Agreement with The Regents for The Regents to acquire property for, and to construct and subsidize, affordable housing for low-income workers of UCSF, by Resolution No. 160-2005.
10. Pursuant to Section 302 of the Plan, the development of the contemplated UCSF facilities on the Expansion Parcels is permitted as a subset of "Other Uses" as a secondary use. Such secondary uses are permitted provided that such use generally conforms with redevelopment objectives and planning and design controls established pursuant to the Plan and based on certain findings of consistency by the Agency's Executive Director (the "Consistency Findings"). The Agency Commission is considering the approval of such

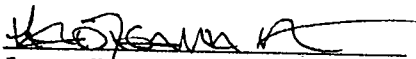
Consistency Findings pursuant to Resolution No. 176-2005, concurrently with this Resolution, and such Consistency Findings are hereby incorporated herein by this reference as if fully set forth.

11. Agency staff has reviewed and considered the items for the Second Amendment and finds them to be acceptable and recommends approving the Second Amendment, which contains the above-listed provisions, in addition to associated revisions.
12. The Agency Commission has reviewed and considered the information contained in the LRDP #2 FEIR.
13. The Agency Commission hereby finds that the Second Amendment is an action in furtherance of the implementation of the Project for purposes of compliance with the California Environmental Quality Act ("CEQA").
14. By Resolution 175-2005, the Agency Commission adopted environmental findings related to the LRDP #2 FEIR, pursuant to CEQA and the CEQA Guidelines (the "Findings"). Such Findings are made pursuant to the Agency's role as the responsible agency under CEQA for the Project. The Findings are hereby incorporated herein by this reference as if fully set forth.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a Second Amendment to the Mission Bay South Owner Participation Agreement, with Catellus Operating Limited Partnership, a Delaware limited partnership, and FOCIL-MB, LLC, a Delaware limited liability company, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel

REC'T # 0002887412
November 30, 2005 12:57:29

San Francisco Assessor-Recorder
Phil Tins, Assessor-Recorder

Document # 05-1080843-00
REEL J026 IMAGE 0557
Account Number 26
SFCC Redevelopment Agency
Free Issue

Total fee	\$0.00
Amount Tendered...	\$0.00
Change	\$0.00

oar,AB/40



December 16, 2005

To: Jesse Blout, Mayor's Office
Donnell Choy, City Attorney's Office
Jesse Smith, City Attorney's Office
Elaine Warren, City Attorney's Office
Jim Morales, SFRA
Erinn Lopez, SFRA
Tom Evans, SFRA

From: Amy Neches

Re: Second Amendment to Mission Bay South Owner Participation Agreement,
Dated as of November 1, 2005

Attached, please find the subject document. Previously, you were sent copies of Amendments 1-4 for Mission Bay North OPA and the First Amendment to the Mission Bay South OPA. Please let us know if you need duplicates of any of these documents.

Attachment:

Second Amendment to Mission Bay South Owner Participation Agreement