File No.	101439	Committee Item	No.
		Board Item No	39

COMMITTEE/BOARD OF SUPERVISORS

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		•
Completed by: Alisa Somera Do	ate <u>Decembe</u>	r 2, 2010
	ate	

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document can be found in the file.

Supervisor Daly
BOARD OF SUPERVISORS

[Authorizing the Acquisition of Real Property by Eminent Domain for Transbay Transit Center Program - 568 Howard Street]

Resolution authorizing the acquisition of real property commonly known as 568
Howard Street, San Francisco, California (Assessor's Block No. 3721, Lot No. 020) by
eminent domain for the public purpose of constructing the Transbay Transit Center
Program; adopting environmental findings under the California Environmental Quality
Act (CEQA), CEQA Guidelines, and Administrative Code Chapter 31; and adopting
findings of consistency with the General Plan and City Planning Code Section 101.1.

WHEREAS, The Transbay Transit Center Program (the Project) consists of, among other things, a new Transit Center at the current site of the Transbay Terminal in the City and County of San Francisco (the City); a temporary terminal on the block bounded by Main, Beale, Folsom, and Howard Streets; reconstructed bus ramps from the Transit Center to the San Francisco-Oakland Bay Bridge; an offsite bus storage/layover area under Interstate 80 on the two blocks bounded by Perry, Stillman, 2nd, and 4th Streets; a Caltrain station near 4th and Townsend Street; and the Transbay Redevelopment Plan; and

WHEREAS, The Project's primary objectives include connecting multiple modes of transit; extending Caltrain and High Speed Rail into the new downtown Transit Center; increasing transit use and reducing travel time; and creating a new transit-oriented neighborhood around the Transit Center; and

WHEREAS, The Project will provide a critical transportation improvement, including a modern regional transit hub connecting eight Bay Area counties and the State of California through eleven transit systems; and

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WHEREAS, California Government Code Sections 25350.5 and 37350.5 authorize the City's Board of Supervisors (this Board) to acquire any property necessary to carry out any of the powers or functions of the City by eminent domain; and

WHEREAS, The real property commonly known as 568 Howard Street, San Francisco, California (Assessor's Block 3721, Lot 020) (the Subject Property), which is more particularly described in Exhibit A and shown in Exhibit B, is required for the construction of the Project; and

WHEREAS, On April 22, 2004, the City's Planning Commission (the Commission) certified in Motion No. 16773 that the Final Environmental Impact Statement/Environmental Impact Report and Section 4(f) Evaluation (Final EIS/EIR) for the Project was in compliance with CEQA, the CEQA Guidelines, and Chapter 31 of the City Administrative Code. The Final EIS/EIR and Motion No. 16773 are on file with the Clerk of the Board of Supervisors in File No. 040616 and are incorporated by reference; and

WHEREAS, On April 22, 2004, in Resolution No. 2004-11, the Peninsula Corridor Joint Powers Board also certified the Final EIS/EIR and made findings similar to those of the Commission with regard to CEQA and the CEQA guidelines. Resolution No. 2004-11 is on file with the Clerk of the Board of Supervisors in File No. 040616 and is incorporated by reference; and

WHEREAS, On April 20, 2004, in Resolution No. 45-2004, the San Francisco Redevelopment Agency also certified the Final EIS/EIR and made findings similar to those of the Commission with regard to CEQA and the CEQA guidelines. Resolution No. 45-2004 is on file with the Clerk of the Board of Supervisors in File No. 040616 and is incorporated by reference; and

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> Supervisor Daly **BOARD OF SUPERVISORS**

Authority (TJPA), by Resolution No. 04-004, approved the components of the Project within its jurisdiction and adopted CEQA Findings, including a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program. Resolution No. 04-004 is on file with the Clerk of the Board of Supervisors in File No. 041079 and is incorporated by reference; and WHEREAS, On June 15, 2004, this Board adopted Motion No. 04-67, in Board File No.

WHEREAS, On April 22, 2004, the Board of Directors of the Transbay Joint Powers

040629, affirming the Commission's decision to certify the Final EIS/EIR. Motion No. 04-67 is on file with the Clerk of the Board of Supervisors in File No. 040629 and is incorporated by reference; and

WHEREAS, The Board of Supervisors in Resolution No. 612-04, adopted environmental findings in relation to the Transbay Terminal, Caltrain Downtown Extension. and Transbay Redevelopment Plan. Copies of said Resolution and supporting materials are in Clerk of the Board of Supervisors File No. 41079. The Board of Supervisors, in Ordinance No. 124-05 as part of its adoption of the Transbay Redevelopment Planm adopted additional environmental findings. Copies of said Ordinance and supporting materials are in Clerk of the Board of Supervisors File No. 50184. Said Resolution and Ordinance and supporting materials are incorporated by reference herein for the purposes of this Resolution; and

WHEREAS, The Board of Directors of the TJPA have approved addenda to the Final EIS/EIR as follows: Addendum No. 1 (Resolution No. 06-011) (June 2, 2006); Addendum No. 2 (Resolution No. 07-013) (April 19, 2007); Addendum No. 3 (Resolution No. 08-003) (January 17, 2008); Addendum No. 4 (Resolution No. 08-039) (October 17, 2008); and Addendum No. 5 (Resolution No. 09-019) (April 9, 2009) (collectively, Addenda). The Addenda and adopting resolutions are on file with the Clerk of the Board of Supervisors in File No. 101409 and are incorporated by reference; and

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WHEREAS, The Final EIS/EIR files and other Project-related Planning Department files are available for review by this Board and the public. The Planning Department files are available at 1660 Mission Street. Those files are part of the record before this Board and are incorporated by reference; and

WHEREAS, The City's Planning Department has found that the acquisition of the Subject Property for the Project is consistent with the General Plan and the Eight Priority Policies of the City Planning Code Section 101.1 to the extent applicable; and

WHEREAS, The City and TJPA staff obtained appraisals of the Subject Property in compliance with California Government Code Section 7267 et seq. and all related statutory procedures for possible acquisition of the Subject Property, and submitted joint offers to the Subject Property owner of record to purchase the Subject Property as required by California Government Code Section 7267.2; and

WHEREAS, On October 14, 2010, the TJPA's Board of Directors adopted Resolution No. 10-045, in which it found that (a) the public interest and necessity require the Project; (b) the Project is planned to maximize the public good and minimize private injury; (c) the Subject Property is necessary for the Project; (d) the City and the TJPA have made sufficient offers of purchase and complied with all procedural prerequisites to the exercise of eminent domain; and (e) acquisition of the Subject Property for the Project will fulfill the mandates of various State and City laws, including San Francisco Proposition H-Downtown Caltrain Station (November 1999), San Francisco Proposition K-San Francisco Transportation Sales Tax (November 2003), California Public Resources Code Section 5027.1(a), and California Streets and Highways Code Sections 2704.04(b) and 30914(c), all of which concern reconstruction of the new Transit Center on the site of the existing Transbay Terminal and the new Transit Center's accommodation of a Caltrain extension and high speed passenger rail line; and

Supervisor Daly
BOARD OF SUPERVISORS

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WHEREAS, In adopting Resolution No. 10-045, the TJPA Board of Directors recommended that this Board adopt a Resolution of Necessity to condemn the Subject Property and initiate eminent domain proceedings to acquire the Subject Property for the Project; and

WHEREAS, In adopting Resolution No. 10-045, the TJPA Board of Directors also found that in the event that the City elects to adopt a Resolution of Necessity and initiate eminent domain proceedings to acquire the Subject Property, the TJPA will bear the costs of litigating any eminent domain action, and will provide all compensation ordered by the court for the condemned Subject Property; and

WHEREAS, This Board finds and determines that each person whose name and address appears on the last equalized County Assessment Roll as an owner of the Subject Property has been given notice and a reasonable opportunity to appear and be heard on this date on the matter referred to in California Code of Civil Procedure Section 1240.030 in accordance with California Code of Civil Procedure Section 1245.235; now, therefore, be it

RESOLVED, That this Board, having reviewed and considered the Final EIS/EIR and Addenda, and the record as a whole, finds that the action taken herein is within the scope of the Project and activities evaluated in the Final EIS/EIR and Addenda, that the Final EIS/EIR and Addenda are adequate for use by this Board for the action taken herein, and adopt the Addenda for purposes of the action taken herein; and, be it

FURTHER RESOLVED, That this Board finds that since the Final EIS/EIR and Addenda were finalized, there have been no substantial Project changes and no substantial changes in Project circumstances that would require major revisions to the Final EIS/EIR and Addenda due to new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial

Supervisor Daly BOARD OF SUPERVISORS

importance that would change the conclusions set forth in the Final EIS/EIR and Addenda; and, be it

FURTHER RESOLVED, That this Board hereby adopts as its own and incorporates by reference herein, as though fully set forth, the findings of the Planning Department that the acquisition of the Subject Property is consistent with the General Plan and the Eight Priority Policies of City Planning Code Section 101.1; and, be it

FURTHER RESOLVED, That by at least a two-thirds vote of this Board under California Code of Civil Procedure Sections 1240.030 and 1245.230, this Board finds and determines each of the following:

- 1. The public interest and necessity require the Project;
- 2. The Project is planned and located in the manner that will be most compatible with the greatest public good and the least private injury;
 - 3. The Subject Property is necessary for the Project;
- 4. The offer required by California Government Code Section 7267.2 has been made to the owner of record of the Subject Property; and, be it

FURTHER RESOLVED, That the City Attorney is hereby authorized and directed to take all steps necessary to commence and prosecute proceedings in eminent domain against the owner of record of the Subject Property and the owner or owners of any and all interests therein or claims thereto for the condemnation thereof for the Project, to the extent such proceedings are necessary, and is authorized and directed to take any and all actions or comply with any and all legal procedures to obtain an order for immediate or permanent possession of the Subject Property, as described in Exhibit A and shown in Exhibit B, in conformity with existing or amended law; and, be it

FURTHER RESOLVED, That this Board adopts as its own and incorporates by reference herein, as though fully set forth, each of the findings made by the TJPA in adopting Resolution No. 10-045 on October 14, 2010.

RECOMMENDED:

REAL ESTATE DIVISION, GENERAL SERVICES AGENCY

By:

Amy Brown

Director of Real Estate

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

Kristen A. Jensen Deputy City Attorney

Supervisor Daly BOARD OF SUPERVISORS

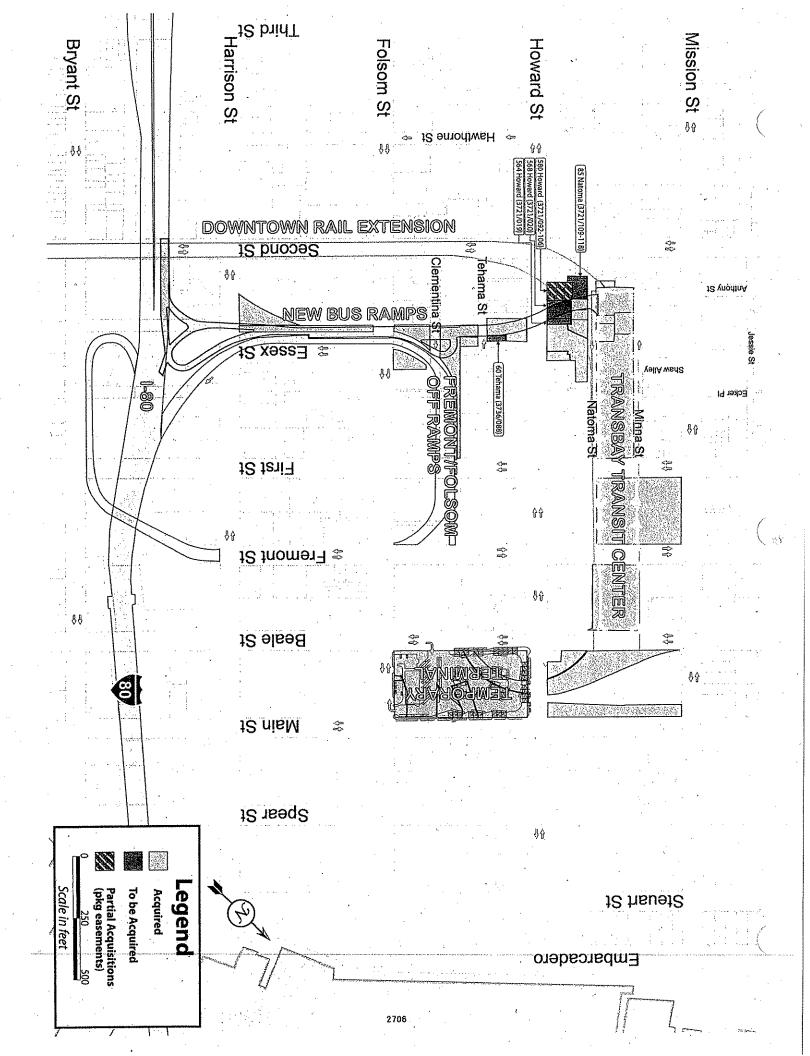
EXHIBIT A LEGAL DESCRIPTION

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

BEGINNING at a point on the northwesterly line of Howard Street, distant thereon 175 feet northeasterly from the northeasterly line of Second Street; running thence northeasterly along said northwesterly line of Howard Street 75 feet; thence at a right angle northwesterly 100 feet; thence at right angles southwesterly 75 feet; thence at a right angle southeasterly 100 feet to the northwesterly line of Howard Street and the point of beginning.

Being portion of 100 Vara Block No. 347.

EXHIBIT B MAP



Index of Documents in Administrative Record for Board File Nos. 101438 and 101439 568 Howard Street, San Francisco (Block 3721, Lot 020)

Date	Document
-	
	Procedural
10/14/10	TJPA Board of Directors Resolution No. 10-045
11/23/10	Letter from TJPA to San Francisco Board of Supervisors re: 568 Howard
	Assessor's Master Sheet – 568 Howard (FY 2009-2010)
	TJPA Notices of Public Hearing to Acquire Various Real Properties by Eminent Domain for Transbay Transit Center Program – 568 Howard
11/20/10	San Francisco Planning Department General Plan Consistency Determination – 568 Howard
	Offer Letter
11/21/07	Offer to purchase 568 Howard – TJPA to InvesMaster Corp. and V. Chen (enclosures omitted)
09/24/08	Offer to purchase 568 Howard – TJPA to InvesMaster Corp. and V. Chen (enclosures omitted)
09/15/09	Offer to purchase 568 Howard – City and TJPA to 568 Howard Street LLC and H. Ellman (enclosures omitted)
10/26/10	Offer to purchase 568 Howard – City and TJPA to 568 Howard Street LLC and H. Ellman Enclosure 1: 09/15/09 Offer to purchase 568 Howard Enclosure 2: 2009 Appraisal & 2010 Appraisal Update Enclosure 3: Relocation Assistance Brochure Enclosure 4: Eminent Domain Brochure Enclosure 5: Agreement for Purchase and Sale of Real Estate
	Property Description and Maps
10/26/10	Preliminary Title Report
,	Legal Description and Map
	Map of 568 Howard in relationship to Transbay Project
	Map of 568 Howard in relationship to Transbay Project – aerial photo of train box
	Map of 568 Howard in relationship to Transbay Project – overhead drawing of west end of train box
	Map of 568 Howard in relationship to Transbay Project – overhead of two tower cable design bus ramp
A CONTRACTOR OF THE CONTRACTOR	Map of 568 Howard in relationship to Transbay Project – overhead o single tower cable design bus ramp
	Correspondence

Index of Documents in Administrative Record for Board File Nos. 101438 and 101439

568 Howard Street, San Francisco (Block 3721, Lot 020)

Date	Document	
10/23/06	Letter from Shute, Mihaly & Weinberger LLP to InvesMaster Corp.	
	(enclosures omitted)	
05/25/07	Letter from TJPA to InvesMaster Corp. (enclosures omitted)	
.10/19/09	Letter from Norman Matteoni to TJPA	
12/18/09	Letter from SMW to Norman Matteoni	
04/23/10	Letter from Norman Matteoni to TJPA	
04/29/10	Letter from SMW to Norman Matteoni	
	Studies and Reports	
,	Caltrans Highway Design Manual (excerpts)	
	Cambridge Systematics – Caltrain Downtown Extension and Transbay Ridership Analysis	
09/2007	TJPA Final Relocation Impact Study I	
01/2010	TJPA Final Relocation Impact Study II	
_	TJPA Relocation Assistance Brochure - Business	
,	TJPA Relocation Assistance Brochure - Residential	
	NEPA/CEQA	
04/2004	Transbay Terminal/Caltrain Downtown Extension/Redevelopment	
	Project: Final Environmental Impact Statement/Environmental Impact	
•	Report and Section 4(f) Evaluation (Final EIS/EIR)	
	Volume I: Chapters 1-8; Appendices A-G Volume II: Responses to Public Comments on the Draft EIS/EIR	
	Volume III: Written Public Comments and Public Hearing Transcripts on the Draft EIS/EIR	
04/22/04	TJPA Resolution No. 04-004	
02/08/05	Federal Transit Administration: Record of Decision	
•	Appendix A: Mitigation Monitoring and Reporting Program	
	Appendix B: Memorandum of Agreement between the FTA and the	
	California State Historic Preservation Officer	
05/25/06	Final EIS/EIR - First Addendum	
04/19/07	Final EIS/EIR - Second Addendum	
01/17/08	Final EIS/EIR - Third Addendum	
10/03/08	Final EIS/EIR - Fourth Addendum	
04/09/09	Final EIS/EIR - Fifth Addendum	

Index of Documents in Administrative Record for Board File Nos. 101438 and 101439

568 Howard Street, San Francisco (Block 3721, Lot 020)

Date	Document	
05/2010	Federal Railroad Administration: Reevaluation Updating the Transbay Program 2004 Final EIS (exhibits omitted except where noted) Exhibit 6(a): Federal Transit Authority internal memo re: Environmental Clearance for advance construction on "train box" portion of Transbay Transit Center Exhibit 6(b): Federal Railroad Administration letter to TJPA re: California allocation of High Speed Rail grants Exhibit 9(a): California High-Speed Rail Authority: Report to the Legislature Exhibit 9(b): California High-Speed Rail Authority Briefing April 2010 Meeting Agenda Item #7 re: Transbay Transit Center Design/Trainbox	
08/04/10	Federal Railroad Administration: Record of Decision <u>Appendix A</u> : Mitigation Monitoring and Reporting Program <u>Appendix B</u> : Memorandum of Agreement Between the FTA and the California State Historic Preservation Officer	
	Transbay Legislation	
,	Cal. Public Resources Code Section 5027.1	
	Cal. Streets & Highway Code Section 2704.04	
	Cal. Streets & Highway Code Section 30914	
04/04/01	TJPA Joint Powers Agreement	
11/02/99	San Francisco Proposition H	
11/02/03	San Francisco Proposition K	
03/02/04	San Francisco Regional Measure 2	
11/04/08	California Proposition 1A	
09/19/02	Senate Bill 1856 (Costa)	
07/22/03	Assembly Bill 812 (Yee)	
10/08/03	Senate Bill 916 (Perata)	
12/19/01	Metropolitan Transportation Commission Resolution No. 3434	
01/02/01	San Francisco Board of Supervisor Resolution No. 13-01	
02/12/01	San Francisco Board of Supervisor Resolution No. 104-01	
06/04/01	San Francisco Board of Supervisor Resolution No. 455-01	
10/15/01	San Francisco Board of Supervisor Resolution No. 804-01	
07/08/03	San Francisco Board of Supervisor Resolution No. 441-03	
06/15/04	San Francisco Board of Supervisor Motion No. 04-067	
10/07/04	San Francisco Board of Supervisor Resolution No. 612-04	
06/21/05	San Francisco Board of Supervisor Resolution No. 124-05	
06/21/05	San Francisco Board of Supervisor Resolution No. 125-05	
02/07/06	San Francisco Board of Supervisor Resolution No. 78-06	

Index of Documents in Administrative Record for Board File Nos. 101438 and 101439

568 Howard Street, San Francisco (Block 3721, Lot 020)

Date	Document
05/09/06	San Francisco Board of Supervisor Resolution No. 94-06
05/09/06	San Francisco Board of Supervisor Resolution No. 95-06
05/09/06	San Francisco Board of Supervisor Resolution No. 99-06

PROCEDURAL

TRANSBAY JOINT POWERS AUTHORITY BOARD OF DIRECTORS

Resolution No. 10-045

WHEREAS, The TJPA has determined that 60 Tehama Street, 564 Howard Street, 568 Howard Street, 8 condominium units in 85 Natoma Street, and easement interests held by the owner of 580 Howard in certain parking spaces and access in and through 85 Natoma in San Francisco (the "Properties") are required for the Transbay Transit Center Program; and

WHEREAS, The TJPA and the City and County of San Francisco ("City") made joint offers to the owners of the Properties to purchase each Property for its fair market value, in compliance with federal and state law, including California Government Code section 7267.2, as follows:

Property	Owner	Date of Offer	Amount of Offer
60 Tehama	Peter F. Byrne Revocable Trust	September 15, 2009	\$1,000,000
564 Howard	564 Howard Street, LLC	September 15, 2009	\$1,450,000
568 Howard	InvesMaster	September 15, 2009	\$6,200,000
85 Natoma #1	Patrick McNerney	August 2, 2010	\$1,230,000
85 Natoma #2	Steel Arc Properties, LLC	August 2, 2010	\$1,100,000
85 Natoma #3	Abbas A. Razaghi and the 2005 Heydayian/Nouri Family Trust	August 2, 2010	\$740,000
85 Natoma #4	Alyce Stanwood	August 2, 2010	\$780,000
85 Natoma #5	Terri Brown	September 15, 2009	\$1,250,000
85 Natoma #7	Abbas A. Razaghi and the 2005 Heydayian/Nouri Family Trust	August 2, 2010	\$765,000
85 Natoma #9	Wendy Roess-DeCenzo and Christopher John DeCenzo	August 2, 2010	\$2,850,000
85 Natoma #C1	Martin Properties, LLC	August 2, 2010	\$150,000
580 Howard easement interest in parking in and	580 Howard Historic Properties, LLC	August 2, 2010	9 indoor spaces at \$75,000 each
across 85 Natoma			4 outdoor spaces at \$65,000 each

WHEREAS, The TJPA determined the fair market value for the Properties based on two independent appraisals of each Property and a review by a third-party appraiser; the TJPA obtained the Federal Transit Administration's (FTA) concurrence with the fair market value conclusion for each Property; and

WHEREAS, The Property owners have not accepted the TJPA's offers to purchase their respective Properties and the TJPA does not expect to reach a negotiated agreement for the purchase of these Properties; and

WHEREAS, The TJPA needs possession of the Properties in early 2011 to proceed with construction of the Transbay Program in a timely manner; and

WHEREAS, Acquisition of the Properties by eminent domain is authorized by law and falls within the scope of the City's authority to exercise eminent domain on the TJPA's behalf. The public interest and necessity require the Transbay Program, the project for which the Properties are to be taken. The Transbay Program is planned to maximize the public good and minimize private injury. The Properties are necessary for the Transbay Program. The City and the TJPA have made sufficient offers of purchase, and complied with all procedural prerequisites to the exercise of eminent domain; and

WHEREAS, The Final Environmental Impact Statement/Environmental Impact Report for the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project (SCH. No. 95063004) (the "Final EIS/EIR"), certified in accordance with the provisions of the California Environmental Quality Act (Cal. Public Resources Code sections 21000 et seq.) and the State CEQA Guidelines (Cal. Code of Regulations Title 14, sections 15000 et seq.) and as subsequently amended, identifies the Properties as required for the Transbay Transit Center Program; and

WHEREAS, The acquisition of the Properties for the Transbay Program will fulfill the mandates of various State and City laws, including San Francisco Proposition H-Downtown Caltrain Station (November 1999), San Francisco Proposition K-San Francisco Transportation Sales Tax (November 2002), California Public Resources Code Section 5027.1 (a), and California Streets and Highways Code Sections 2704.04 (b) and 30914 (c), all of which concern reconstruction of the new Transit Center on the site of the existing Transbay Terminal and the new Transit Center's accommodation of a Caltrain extension and high speed passenger rail line; now, therefore, be it

RESOLVED, That the TJPA recommends that the City Board of Supervisors adopt Resolutions of Necessity for the City to condemn on behalf of the TJPA the following properties, and initiate eminent domain proceedings to acquire the following properties for the Transbay Transit Center Program:

- 60 Tehama Street (Block 3736, Lot 88)
- 564 Howard Street (Block 3721, Lot 19)
- 568 Howard Street (Block 3721, Lot 20)
- 85 Natoma Street #1 (Block 3721, Lot 109)
- 85 Natoma Street #2 (Block 3721, Lot 110)
- 85 Natoma Street #3 (Block 3721, Lot 111)
- 85 Natoma Street #4 (Block 3721, Lot 112)
- 85 Natoma Street #5 (Block 3721, Lot 113)
- 85 Natoma Street #7 (Block 3721, Lot 115)
- 85 Natoma Street #9 (Block 3721, Lot 117)
- 85 Natoma Street #C1 (Block 3721, Lot 118)
- 9 easement interests in indoor parking spaces in and across the 85 Natoma garage
- 4 easement interests in outdoor parking spaces accessed across the 85 Natoma garage; and be it

FURTHER RESOLVED, In the event that the City elects to adopt the Resolutions of Necessity and initiate eminent domain proceedings to acquire the properties, the TJPA will bear the cost of litigating any eminent domain action, including compensation ordered by the court for the condemned property.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of October 14, 2010.

Secretary, Transbay Joint Powers Authorit



November 23, 2010

Board of Supervisors City and County of San Francisco Room 244, City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102

Board File Nos. 101438 and 101439

Re: Urging the Board of Supervisors to Pass a Resolution of Necessity

Authorizing the Acquisition of 568 Howard Street, Assessor's Block

3721, Lot 020, by Eminent Domain for the Transbay Transit Center

Program

Dear President Chiu and Honorable Members of the Board of Supervisors:

As you are aware, the Transbay Transit Center Program (Project) is a national model for transit-oriented development. The Project will combine transportation, housing, and other urban amenities to create a livable, revitalized neighborhood in downtown San Francisco. It will connect eleven transit systems under one roof, including future high-speed rail from Southern California; reduce traffic congestion; and lower carbon emissions. The Project also is a catalyst for economic expansion; it will create more than 125,000 direct, indirect, and induced jobs over the life of the Project, and the Transit Center will serve more than 100,000 transit riders each week day.

The City and County of San Francisco (City), Alameda-Contra Costa Transit Authority (AC Transit), the Peninsula Corridor Joint Powers Board (Caltrain), and the State of California Department of Transportation (Caltrans) (*ex-officio*) are the members of the Transbay Joint Powers Authority (TJPA). The TJPA is charged with the finance, design, development, construction, and operation of the Project, which has enjoyed the strong and continued support of the City and your Board. The TJPA recently received \$400 million in high-speed rail funds from the American Recovery and Reinvestment Act of 2009. This Project is one of the first high-speed rail projects to break ground in the nation.

The Project has three basic parts: a new multi-modal Transbay Transit Center on the site of the existing Transbay Terminal at First and Mission Streets, a tunnel extending Caltrain and California High-Speed Rail from the current railway terminus at Fourth and King Streets to the new Transit Center (DTX), and a Redevelopment Plan that will result in transit oriented development of the area around the Transit Center, including 2,600 new homes, 35 percent of which will be affordable.

With the City's cooperation, the TJPA has successfully acquired thirteen properties for the Project through voluntary purchase-sale agreements with private property owners over the past five years. The TJPA also acquired one property, 80 Natoma, through a negotiated agreement following the filing of an eminent domain action by the City.

As described in the March 2004 Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project Final Environmental Impact Statement/Environmental Impact Report (EIS/EIR) and subsequent addenda, the TJPA needs to acquire the property located at 568 Howard Street, Assessor's Block 3721, Lot 020 (the Property) for the Project. A copy of the Final EIS/EIR and addenda are on file with the Clerk of the Board of Supervisors in File Nos. 101438 and 101439, as are maps showing the relationship of the Property to the Project.

The TJPA has adopted a Relocation Assistance Program and has explained to owners and occupants of the Property that this program will assist them with relocation to replacement locations. Copies of information regarding the Relocation Assistance Program are on file with the Clerk of the Board of Supervisors in File Nos. 101438 and 101439.

As described in detail below, the City and the TJPA have made a joint offer to purchase the Property for its fair market value. The TJPA has made extensive efforts over the last three years to reach a negotiated resolution with the property owner. The owner has not accepted the TJPA's past offers and the TJPA does not expect to reach a negotiated agreement for the purchase of this Property at this time. Copies of the offers to purchase are on file with the Clerk of the Board of Supervisors in File Nos. 101438 and 101439.

The TJPA needs possession of the Property in early 2011 to proceed with scheduled construction of the Project. Acquisition of the Property by eminent domain is authorized by law and falls within the scope of the City's authority to exercise eminent domain on the TJPA's behalf. The City and the TJPA have complied with all procedural prerequisites to the exercise of eminent domain. Accordingly, on October 14, 2010, the TJPA Board of Directors adopted Resolution No. 10-045, urging the San Francisco Board of Supervisors to pass a Resolution of Necessity and to authorize the use of eminent domain to acquire the Property for the Project. A copy of the TJPA resolution is on file with the Clerk of the Board of Supervisors in File Nos. 101438 and 101439.

As described in the TJPA's Resolution, in the event that the City elects to adopt a Resolution of Necessity and initiate eminent domain proceedings to acquire the Property, the TJPA will bear all legal fees and costs of litigating any eminent domain action, and will be responsible for all compensation ordered by the court for the condemned Property.

Use of Eminent Domain

The California Constitution requires a public agency taking private property for public use to pay just compensation to the property owner. Prior to exercising eminent domain, however, federal and state law require that the agency make reasonable efforts to negotiate a voluntary acquisition of the property. The agency must offer to purchase the property for its fair market value, as determined by an independent appraisal.

If the property owner declines the agency's offer to purchase, then the agency may initiate eminent domain proceedings by adopting a Resolution of Necessity for the property that includes:

- a statement of the public use for which the property is to be taken;
- a reference to the statute that authorizes it to acquire the property by eminent domain;
- a description of the property; and
- findings that:
 - the public interest and necessity require the project for which the property is to be taken,
 - the project is planned to maximize public good and minimize private injury,
 - the property is necessary for the project, and
 - the public entity has made an offer to purchase the property for its fair market value as determined by an appraisal.

After adopting the Resolution of Necessity, the agency may file a complaint in eminent domain in the superior court of the county where the property is located. If the agency deposits with the court the probable amount of compensation for the property, which is its fair market value, then the court may award the agency possession of the property within 120 days to allow the agency to start construction of the project on the property. A judge resolves any legal challenges to the agency's right to use eminent domain, and either a judge or a jury decides the question of "just compensation" based on evidence presented by both sides. The agency pays the just compensation amount, and the court awards the agency title to the property.

The Resolution of Necessity

As described above, the City must make certain findings regarding the Project and the necessity of the Property for the Project. The Property is critical to the development of the Project and its acquisition falls within the scope of the City's authority to exercise eminent domain. The City and the TJPA have complied with all procedural prerequisites to the exercise of eminent domain. Thus, the City can make the requisite findings as follows.

Finding #1: The public interest and necessity require the project for which the property is to be taken.

The Project will be a national model for transit-oriented development, combining public transit, housing, and other urban amenities to create a livable, revitalized neighborhood in downtown San Francisco. In particular, the Transit Center will connect eleven transit systems under one

roof, including future high-speed rail from Southern California, thereby reducing traffic congestion and lowering emissions of carbon dioxide and other pollutants. The Project also will serve as a catalyst for economic expansion as it will create more than 125,000 direct, indirect, and induced jobs over the life of the Project; build 2,600 new homes; and serve more than 100,000 transit riders each week day.

The new Transit Center will be built on the current site of the Transbay Terminal in downtown San Francisco. The current Transbay Terminal was constructed in 1939 to facilitate rail travel across the San Francisco-Oakland Bay Bridge. Following World War II, the lower deck of the Bay Bridge was converted to automobile traffic and the Transbay Terminal became a bus only facility. As part of the Program, and because it was not seismically sound and could not meet current or future transportation needs of the region or the State, the bus terminal is currently under demolition. The new Transit Center will be a one million square foot regional transportation hub. The new bus ramp will provide safe and efficient access between the Transit Center, the Bay Bridge, and a new offsite bus storage facility. The Transit Center will feature a 5.4-acre public park on its roof and will include ground floor retail on Natoma and Minna streets, public art, and a public plaza/park for the benefit of the surrounding neighborhood.

The DTX will bring the Caltrain rail line underground into the heart of San Francisco, taking drivers off the road, eliminating many tons of carbon dioxide each year, and connecting San Francisco to the rest of California via the future California High Speed Rail. Extending Caltrain into the central business district will save commuters almost an hour a day in travel time, particularly those travelling to and from the Peninsula, approximately 33,000 of whom will use the Transit Center each weekday. The DTX is also designed to accommodate high speed rail and rail connections to the East Bay, making the new Transit Center the Northern California terminus for high speed rail. By connecting all major cities in California with a state-of-the-art transportation system, high-speed trains will increase mobility while reducing air pollution and greenhouse gas emissions.

This improved connectivity and design are particularly important because use of public transit is expected to increase dramatically over the next twenty years. By 2030, AC Transit ridership will increase by 140 percent without the new Transit Center, and by even more in response to the improved facility. During the same time period, Caltrain ridership is projected to increase by over 90 percent if its terminal remains at 4th and King Streets, and by almost 150 percent once the DTX brings riders to the downtown Transit Center. The outdated Transbay Terminal could not serve existing ridership adequately and clearly lacked capacity for such increases.

By improving the efficiency and connectivity of public transit, the Project also will reduce use of automobiles and resulting vehicle miles travelled. This, in turn, will save commuters both traffic delays and the cost of operating and maintaining their vehicles. It also will reduce accidents and emissions of greenhouse gases and other pollutants. Economists have estimated that these changes represent hundreds of millions of dollars of direct benefits to travelers, including both transit riders who enjoy more efficient service and drivers who enjoy less crowded roads. Overall, the Project offers enormous benefits to the local and regional economies.

The Project also will fulfill the mandates of various local and state laws. These include San Francisco Proposition H, passed in November 1999, which directs the City to extend Caltrain

from the current station to the Transit Center, and San Francisco Proposition K, passed in November 2003, which directs the City to expend transportation sales tax funds in part on the DTX. The Project also complies with California Public Resources Code Section 5027.1(a) and California Streets and Highways Code Sections 2704.04(b) and 30914(c), all of which endorse reconstruction of the new Transit Center on the site of the existing Transbay Terminal and the new Transit Center's accommodation of a Caltrain extension and high speed passenger rail line. Copies of the referenced legislation are on file with the Clerk of the Board in File Nos. 101438 and 101439.

In Motion No. 16773, the City's Planning Commission adopted findings certifying the Project's Final EIS/EIR and recognized that the Project is necessary and beneficial to the public for improvement of regional transit services and replacement of the existing, seismically inadequate Terminal. In Motion No. 04-067, the Board of Supervisors adopted the Planning Commission's findings. In Resolution No. 612-04, the Board of Supervisors adopted environmental findings in relation to the Project. In Ordinance No. 124-05, the Board of Supervisors adopted additional environmental findings as part of its adoption of the Transbay Redevelopment Plan. On November 20, 2010, the Planning Department issued a determination that acquisition of the Property for the Project is consistent with the General Plan and Eight Priority Policies. Copies of the referenced legislation and letter are on file with the Clerk of the Board in File Nos. 101438 and 101439.

The inadequacy of the old Transbay Terminal and the substantial benefits offered by the Project make clear that the public interest and necessity require the Project.

Finding #2: The project is planned to maximize public good and minimize private injury.

The Project has undergone years of intense planning. It is designed to promote mass transit ridership, optimize connectivity with other transit projects such as California High Speed Rail, enhance redevelopment opportunities, and generate thousands of jobs in San Francisco and statewide. To foster ridership and connectivity, the TJPA has coordinated its planning and design efforts with public transportation providers such as San Francisco Muni, Bay Area Regional Transit (BART), AC Transit, Caltrain, Amtrak, California High Speed Rail, Golden Gate Transit, SamTrans, Greyhound, WestCAT Lynx, and paratransit. The TJPA also has cooperated in the planning efforts of the City Planning Department and the San Francisco Redevelopment Agency to facilitate redevelopment of the Transbay Neighborhood and to ensure that the Project results in transit-oriented development.

To build a new state-of-the-art Transit Center and bus ramp that can accommodate the needs of these diverse transit providers under a single roof, the TJPA must acquire several private properties. To minimize displacement of businesses and residents, the TJPA has scrutinized Project alternatives and selected the Project design and alignment that achieves the goals of safety, efficiency, and convenience, while minimizing cost and the need to acquire right of way. The Final EIS/EIR and its addenda describe alternatives that the TJPA considered and rejected as inferior to the approved plan and design.

As set forth in Board of Supervisors Resolution No. 612-04, which authorized the acquisition of property located at 80 Natoma Street by eminent domain, the Project is also planned to minimize

private injury through mitigation measures that protect affected property owners and residents. A copy of the resolution is on file with the Clerk of the Board in File Nos. 101438 and 101439, and File No. 41079. The Final EIS/EIR and its addenda describe these measures, which include specific methods used to calculate fair market value and the provisions of relocation assistance to property owners and tenants. As one such measure, the TJPA has adopted a comprehensive Relocation Assistance Program that provides displaced persons the full assistance available under federal and state law, including the Uniform Relocation Assistance and Real Property Acquisition Policies Act. Copies of materials related to the TJPA's Relocation Assistance Program are on file with the Clerk of the Board in File Nos. 101438 and 101439.

As demonstrated by each of these measures, the Project is planned to maximize public good and to minimize private injury.

Finding #3: The property is necessary for the project.

The Property is located on Howard Street, between First and Second Streets. The Property consists of approximately 7,500 square feet of land area and is improved with a five story office building containing about 36,750 square feet of gross building area. The building has no historic significance. The Final EIS/EIR and Addendum 1 to that document identify the Property as right of way that the TJPA will need to acquire for construction of the Project. The property owner has not disputed the TJPA's need to acquire the Property for the Project.

The TJPA requires the Property for construction of the bus ramp that will connect the new Transit Center to the Bay Bridge and offsite bus storage facility. Because the original Transbay Terminal and ramp structures were designed for rail traffic, ramps were needed at both ends of the Terminal; trains—and later, buses—flowed through the terminal from one end to the other. In particular, the existing bus ramp adjacent to 568 Howard carried only outbound traffic to the Bay Bridge. One benefit of the Project is the demolition and permanent removal of some five blocks of elevated bus ramps that served the original Terminal, including the existing ramp adjacent to 568 Howard.

As part of the Project, the TJPA plans to build a new bus ramp that will carry buses to and from the new Transit Center through a single access point at its west end. The TJPA is considering two alternative designs for the final span of the ramp connecting to the Transit Center: a two tower cable bridge and a single tower cable bridge. In both designs, the ramp structure will pass through and above the property at 568 Howard Street; the primary tower(s) and their foundations will be constructed on the 568 Howard property. Accordingly, the construction of the bus ramp requires demolition of the building at 568 Howard Street. Maps depicting the relationship of the Property to the Project, and to the new bus ramp in particular, are on file with the Clerk of the Board in File Nos. 101438 and 101439.

The TJPA also requires the Property for construction of the train box portion of the new Transit Center and the DTX tunnel. The DTX tunnel alignment will approach the Transit Center from Second Street, expanding to six tracks as it enters the lower levels of the Transit Center. The below-grade portion of the Transit Center will reach across Natoma Street toward the intersection of Second and Howard Streets. The rail tracks will pass under 568 Howard as they enter the Transit Center, and the portion of the Transit Center interfacing with the DTX tunnel

will be constructed under 568 Howard Street at the same time as the Transit Center. Construction of the train box requires demolition of the building at 568 Howard Street. Maps depicting the relationship of the Property to the Project, and to the train box and tunnel in particular, are on file with the Clerk of the Board in File Nos. 101438 and 101439.

The TJPA needs possession of the Property in early 2011 to proceed with scheduled construction of the Project. The TJPA has engaged a contractor to demolish existing Transbay facilities in preparation for construction of the new Transit Center and bus ramp; significant demolition work is ongoing. The TJPA expects to demolish the existing ramp adjacent to 568 Howard in Spring 2011. All of the demolition work is expected to be complete in May 2011. The TJPA plans to demolish the building on 568 Howard as soon as it receives possession of the Property, either by amending the current demolition contract, or by issuing a new demolition contract. To timely enter into a contract for the demolition of 568 Howard, the TJPA must have possession of the Property by April 2011.

The TJPA expects to award a contract for buttress, shoring, and excavation ("BS&E") related to the train box in December 2010. The TJPA plans to add the Property to the BS&E contract as soon as the TJPA receives possession of the Property. The TJPA plans to begin construction of the shoring wall prior to excavation of the train box in May 2011. The TJPA expects to award the contract for construction of the new ramp in early 2012 and to begin construction of the new ramp in early 2013.

In light of these requirements and the location of the Property, the Property is immediately necessary for construction and completion of the Project.

Finding #4: The public entity has made a sufficient offer of purchase.

On October 26, 2010, the City and the TJPA jointly offered to purchase 568 Howard for \$6,200,000. The joint offer fully complies with Government Code § 7267.2: it (1) establishes the amount that the agencies believe to be just compensation for the Property, which is not less than the approved appraisals of its fair market value; (2) extends an offer to the owner of record to acquire the Property for the full amount so established; (3) provides an informational pamphlet detailing the process of eminent domain and the owner's rights under the Eminent Domain Law; and (4) provides a sufficiently detailed written statement of, and summary of the basis for, the amounts established as just compensation.

The property owner has not accepted the joint offer. (The TJPA notes that the just compensation for the purchase of the Property is not at issue in the hearing on the Resolution of Necessity. Rather, the necessity to acquire property for the Project is the sole issue presented by the Resolution.)

The joint offer to purchase the Property for its full, assessed, fair market value is sufficient for the City to proceed with an action in eminent domain.

Recommendation

On October 14, 2010 the TJPA Board of Directors adopted Resolution No. 10-045, which included the findings that (1) the public interest and necessity require the Transbay Transit

Center Program, for which the property located at 568 Howard Street is to be taken, (2) the Project is planned to maximize public good and minimize private injury, (3) the Property is necessary for the Project, and (4) the City and the TJPA have made an offer of purchase for the fair market value of the Property as determined by an appraisal. Resolution No. 10-045 urges the San Francisco Board of Supervisors to adopt a Resolution of Necessity as required to condemn the Property on behalf of the TJPA for the Project.

Thank you for your long-standing and continued support of the Transbay Transit Center Program.

Sincerely,

Maria Ayerdi-Kaplan Executive Director

Enclosure: Materials submitted to Board File Nos. 101438 and 101439

B07005 Real Property	Master Displayed: 11/05/2010		
Read Only Block Lot Roll 2010 RollCde	S Secured		
ol 25 APN 3721 020 Year 2010 EvtDate	7/17/1992 Seg 001 VSC ENR 50		
	REG O REG ROLL Date 6/30/2010		
200002011	Bill Num Res# A0176		
Owner INVESMASTER CORPORATION	Not.Date Next		
Care Of			
Address 568 HOWARD ST # FL	TransCde C (Old Code) Change in		
CtyStZip SAN FRANCISCO CA 94105	Date 8/27/1991		
	Exl Date 7/17/1992		
Status Cde * Taxable	NewConst N New Constr/Alteration		
Use Code COMO Commercial Office	NC Date 11/15/1985 Apl#		
Class Code O Office			
Norhd Code 09-B Financial District South	TempCode		
CPI Factor 2370% TRA 1-016	TempDate		
Tax Rate 1.1640 Acct #			
	Appr Id 222 4/28/2006		
Last Sale S 7/17/1992 2,380,000			
Base Years 1992	506 Int _ 480 Penalty0		
Land 770,599 Improvment	2,489,911 Total L&I 3,260,510		
Temp Land 0 Temp Impr	0 Total Temp0		
Pers Prop 0 Fixtures	0 Exemptions 0		
Pomarks	0 Taxable 3,260,510		
F1=Hlp F2=Mnu F3=Ext/Sav F4=Vw F6=Prpgt F9=Chrs F12=Cncl F22=CanAsmt F24=Dup			

Sent via US Mail on November 19, 2010:

InvesMaster Corp. c/o Norman E. Matteoni Matteoni, O'Laughlin & Hechtman 848 The Alameda San Jose, CA 95126

Maevo Group (U.S.A.), Inc. c/o Virgil Chen 568 Howard Street, 1st Floor San Francisco, CA 94105

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT, in accordance with Section 1245.235 of the Code of Civil Procedure, the Board of Supervisors of the City and County of San Francisco, as a Committee of the Whole, will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date:

Tuesday, December 7, 2010

Time:

3:00 p.m.

Location:

Legislative Chamber, Room 250 located at City Hall, 1 Dr. Carlton B.

Goodlett, Place, San Francisco, CA

Subject:

Public Hearing on Adopting Resolution to Acquire Real Property by Eminent Domain: authorize acquisition of real property commonly known as 568 Howard Street, San Francisco, California (Assessor's Parcel No. Block 3721, Lot 020) by eminent domain for the public purpose of constructing the Transbay Transit Center Program.

Said public hearing will be held to make findings of whether the public interest and necessity require the City and County of San Francisco to acquire, by eminent domain, the following real property on behalf of the Transbay Joint Powers Authority (TJPA): fee ownership of the real property commonly known as 568 Howard Street, San Francisco, California (Assessor's Parcel No. Block 3721, Lot 020) (Property), by eminent domain, for the public purpose of constructing the Transbay Transit Center Program (Project); adopting environmental findings under the California Environmental Quality Act (CEQA), CEQA Guidelines, and Administrative Code Chapter 31; and adopting findings of consistency with the General Plan and City Planning Code Section 101.1. A description of the Property is set forth in Schedule 1, available in the official file for review in the Office of the Clerk of the Board.

The purpose of said hearing is to hear all persons interested in the matter. You have a right to appear and be heard on the matters referred to in California Code of Civil Procedure Section 1240.030, including, but not limited to, whether: (1) the public interest and necessity require the Project; (2) the Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury; (3) the Property sought to be acquired is necessary for the Project; and (4) the City and the TJPA have made the offer required by California Government Code §7267.2 to the owner(s) of record of the Property.

Owners of the property who have been notified of such public hearing and who, within fifteen (15) days after the mailing of such notice, have filed a written request to do so, may appear and be heard at the public hearing. The Board, at its discretion, need not give an opportunity to any other person to appear and be heard.

The procedure of the Board requires that the finding of public interest and necessity be made by a two-thirds vote of all its members.

At the close of the public hearing, a vote will be made on a resolution entitled "Resolution authorizing the acquisition of real property commonly known as 568 Howard Street, San Francisco, California (Assessor's Parcel No. Block 3721, Lot 020) by eminent domain for the public purpose of constructing the Transbay Transit Center Program; adopting environmental findings under the California Environmental Quality Act (CEQA), CEQA Guidelines, and Administrative Code Chapter 31; and adopting findings of consistency with the General Plan and City Planning Code Section 101.1."

In accordance with Section 67.7-1 of the San Francisco Administrative Code, persons who are unable to attend the hearing on these matters may submit written comments prior to the time the hearing begins. These comments will be made part of the official public record in these matters and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, Room 244, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA, 94012.

Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available for public review on Thursday December 2, 2010.

SCHEDULE 1

Legal description for the fee simple interest in real property commonly known as 568 Howard Street, San Francisco, California (Assessor's Parcel No. Block 3721, Lot 020)

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BEGINNING at a point on the northwesterly line of Howard Street, distant thereon 175 feet northeasterly from the northeasterly line of Second Street; running thence northeasterly along said northwesterly line of Howard Street 75 feet; thence at a right angle northwesterly 100 feet; thence at right angles southwesterly 75 feet; thence at a right angle southeasterly 100 feet to the northwesterly line of Howard Street and the point of beginning.

Being portion of 100 Vara Block No. 347.

Sent via US Mail on November 19, 2010:

Granicus, Inc. c/o Emery Jones 568 Howard Street, Suite 300 San Francisco, CA 94105

Emery Jones, Agent for Service Granicus, Inc. 2154 44th Avenue San Francisco, CA 94116

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Sent via US Mail on November 19, 2010:

Altran Solutions c/o Jay James 568 Howard Street, Fourth Floor San Francisco, CA 94105

Allyson Miller Corporate Legal Counsel Altran, North America 451 D Street Boston, MA 02210

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Being portion of 100 Vara Block No. 347.

Sent via US Mail on November 19, 2010:

HearPlanet Inc. 568 Howard St., 5th Floor San Francisco, CA 94105

HearPlanet Inc. Steven Jay Echtman, Agent for Service 3745 Divisadero Street, #3 San Francisco, CA 94123

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The procedure of the Board requires that the finding of public interest and necessity be made by a two-thirds vote of all its members.

At the close of the public hearing, a vote will be made on a resolution entitled "Resolution authorizing the acquisition of real property commonly known as 568 Howard Street, San Francisco, California (Assessor's Parcel No. Block 3721, Lot 020) by eminent domain for the public purpose of constructing the Transbay Transit Center Program; adopting environmental findings under the California Environmental Quality Act (CEQA), CEQA Guidelines, and Administrative Code Chapter 31; and adopting findings of consistency with the General Plan and City Planning Code Section 101.1."

In accordance with Section 67.7-1 of the San Francisco Administrative Code, persons who are unable to attend the hearing on these matters may submit written comments prior to the time the hearing begins. These comments will be made part of the official public record in these matters and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, Room 244, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA, 94012.

Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available for public review on Thursday December 2, 2010.

SCHEDULE 1

Legal description for the fee simple interest in real property commonly known as 568 Howard Street, San Francisco, California (Assessor's Parcel No. Block 3721, Lot 020)

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

BEGINNING at a point on the northwesterly line of Howard Street, distant thereon 175 feet northeasterly from the northeasterly line of Second Street; running thence northeasterly along said northwesterly line of Howard Street 75 feet; thence at a right angle northwesterly 100 feet; thence at right angles southwesterly 75 feet; thence at a right angle southeasterly 100 feet to the northwesterly line of Howard Street and the point of beginning.

Being portion of 100 Vara Block No. 347.

OFFER LETTER



November 21, 2007

EN EN CHARLADYON	
Project: Programyida (9)	(0)
Info Action	
M Hermer, John	

Couglin, Jin



CONFIDENTIAL

NOV 2 0 REC'D

Via Certified Mail

InvesMaster Corp. Attn: Virgil Chen 2243 Ringwood Avenue San Jose, CA 95131

Re: 568 Howard Street; Block 3721, Lot 20: Offer to Purchase

Dear Mr. Chen:

This letter constitutes an offer by the Transbay Joint Powers Authority (TJPA) to purchase 568 Howard Street (Block 3721, Lot 20) ("the property") from InvesMaster Corp. for \$7,400,000 for the unencumbered fee simple interest in the property. This amount is the fair market value of the property as reflected in the attached Summary Appraisal Statement. The Summary Appraisal Statement provides a summary of the basis of the appraisal. The TJPA's offer is the full amount of the appraisal. Also attached is a proposed Agreement for Purchase and Sale of Real Estate containing the terms on which the TJPA proposes to purchase the Property. I would be happy to answer any questions that you have concerning the Summary Appraisal Statement or the proposed Agreement.

As the owner of property acquired by a public agency, InvesMaster Corp. may be entitled to relocation assistance. The attached Guide entitled "Your Rights and Benefits as a Displaced Business or Nonprofit Organization Under the Uniform Relocation Assistance Program" should answer most questions concerning relocation assistance. If you have any questions that are not answered by this Guide, please do not hesitate to contact me.

Under Code of Civil Procedure Section 1263.025, should InvesMaster Corp. elect to obtain an independent appraisal, the TJPA will pay for the actual reasonable costs of the appraisal up to \$5,000, subject to the following conditions:

- (a) InvesMaster Corp., not the TJPA, must order the appraisal. Should InvesMaster Corp. enter in to a contract with the selected appraiser, the TJPA will not be a party to the contract.
- (b) The selected appraiser must be licensed by the California Office of Real Estate Appraisers (OREA).
- (c) Appraisal cost reimbursement requests must be made in writing and submitted to the TJPA within 90 days following the date the selected appraiser requests payment from InvesMaster Corp. for the appraisal. At the time of your request for reimbursement, InvesMaster Corp. should also provide to the TJPA copies of the contract (if a written contract was made), the appraisal report, and invoice(s) for all work completed by the appraiser. The cost of the appraisal must be reasonable and justifiable.
- (d) The TJPA will reimburse you for an appraisal that meets the above requirements from the escrow at the Closing.

We look forward to working with you and InvesMaster Corp. to arrive at a mutually satisfactory agreement.

Very truly yours,

Harry Quinn

Transbay Joint Powers Authority

Attachments

cc: Maria Ayerdi (w/o attachments)
Andrew Schwartz (w/o attachments)

Response 25

The Project site has been subject to disturbance and alteration. For example, the realignment of Superior Avenue required approximately 215,000 cubic yards of cut. There are no natural landforms remaining on the site and limited native vegetation. The general character of site would remain due to the type and the extent of recreational development within the community park including large open play fields with minimal recreation-related structural development. Also, the existing concrete trapezoidal channel within the Project site would be placed underground and provide for additional landscape improvements proposed to enhance the visual qualities of the Project site. Therefore, the proposed Project is consistent with Land Use Policy 5.6.4.

Response 26

Biological studies completed for the Project identified small patches of degraded, low value habitat. In addition, although no wetland resources were detected within the site, resources considered to be Waters of the State do occur within the Project site. As addressed in the Draft EIR, impacts to these resources would require authorization from the California Department of Fish and Game pursuant to Section 1600 of the California Fish and Game Code. The City would submit regulatory permit applications for the Project.

Response 27

HB Policy 8.20: Impervious Surfaces states "Require new development and public improvements to minimize the creation of and increases in impervious surfaces, especially directly connected impervious areas, to the maximum extent practicable. Require redevelopment to increase area of pervious surfaces, where feasible". This policy does not mandate that the pavement be pervious. Please refer to Section 4.10, Hydrology and Water Quality, which addresses the features of the Project including stormwater routing and treatment features including:

- A bioswale adjacent to the park access road to detain and treat storm water flows from the access road and adjacent slope.
- An on-site vegetated dry creek within the parking lot to collect and treat flows from the parking lot.

Response 28

The existing habitat values within and immediately adjacent to the Project site were determined to be very low during the biological evaluations conducted for the EIR. The area containing coastal bluff scrub is being preserved as part of the Project design, consistent with the Natural Resources Element NR Policy 10.4: New Development Siting and Design requirements. Impacts to all other low value coastal sage scrub and disturbed mule fat scrub/goldenbush scrub would occur and would be mitigated pursuant to the requirements of Section 7 of the Federal Endangered Species Act. Compliance with mitigation would insure adequate protection of sensitive resources with no significant disruption in of habitat values. Therefore, the Project is consistent with the provisions of the Natural Resources Element Goal NR 10.

Response 29

The proposed Project is a community park with large open playing fields and minimal structural improvements. As noted in the response to Comment 28, the Project site does not contain high

001818

086564



September 24, 2008

Via Certified Mail

InvesMaster Corp. Attn: Virgil Chen 2243 Ringwood Avenue San Jose, CA 95131

Re: 568 Howard Street, Block 3721, Lot 20: Offer to Purchase

Dear Mr. Chen:

As you know, the Transbay Joint Powers Authority (TJPA) is the public agency charged with constructing the Transbay Transit Center Program in the South of Marker area of San Francisco.

On November 21, 2007, the TJPA made an offer to InvesMaster Corp. to acquire the unencumbered fee simple interest in 568 Howard Street (Block 3721, Lot 20) ("the Property") for \$7,400,000. The TJPA explained that this amount is the fair market value of the Property and we enclosed the Summary Appraisal Statement on which the fair market value was determined. We also enclosed a proposed Agreement for Purchase and Sale of Real Estate. We notified InvesMaster Corp. that it may be eligible to receive relocation assistance under state and federal law, and provide a brochure explaining the TJPA's Relocation Assistance Program. And we provided InvesMaster Corp. Information regarding eminent domain and Title VI of the federal Civil Rights Act.

We have not received any response from InvesMaster Corp. to the TJPA's offer to purchase the Property.

The TJPA is actively moving forward with the Program, including its plans to acquire the Property. We would like to once again make the offer to acquire the Property from InvesMaster Corp. for the fair market value price of \$7,400,000. We are enclosing another copy of the Summary Appraisal Statement, proposed Purchase Agreement, Relocation Assistance Brochure and Title VI Information for your review. We also are enclosing a brochure explaining your rights under California's Eminent Domain Law.

Under Code of Civil Procedure Section 1263.025, should InvesMaster Corp. elect to obtain an independent appraisal, the TJPA will pay for the actual reasonable costs of the appraisal up to \$5,000, subject to the following conditions:

Mr. Virgil Chen September 24, 2008 Page 2 of 2

- (a) InvesMaster Corp., not the TJPA, must order the appraisal. Should InvesMaster Corp. enter in to a contract with the selected appraiser, the TJPA will not be a party to the contract.
- (b) The selected appraiser must be licensed by the California Office of Real Estate Appraisers (OREA).
- (c) Appraisal cost reimbursement requests must be made in writing and submitted to the TJPA within 90 days following the date the selected appraiser requests payment from invesMaster Corp. for the appraisal. At the time of your request for reimbursement, invesMaster Corp. should also provide to the TJPA copies of the contract (if a written contract was made), the appraisal report, and invoice(s) for all work completed by the appraiser. The cost of the appraisal must be reasonable and justifiable.
- (d) The TJPA will reimburse you for an appraisal that meets the above requirements from the escrow at the Closing.

We look forward to working with you and InvesMaster Corp. to arrive at a mutually satisfactory agreement for the TJPA's acquisition of the Property. If we do not receive any response to the TJPA's offer to reach a voluntary purchase of the Property, however, the TJPA may consider asking the City and County of San Francisco to exercise its power to acquire the Property through condemnation.

If there is some other representative of InvesMaster Corp. to whom you would prefer we direct this correspondence, please do not hesitate to let us know.

Very truly yours,

Harry Quinn

Transbay Joint Powers Authority

Enclosures: As Stated

cc: Maria Ayerdi-Kaplan Andrew Schwartz



Amy L. Brown
Director of Real Estate



September 15, 2009

Via Certified Mail

InvesMaster Corp. Attn: Virgil Chen 568 Howard Street San Francisco, CA 94105

Re: 568 Howard Street (Block 3721, Lot 20): Offer to Purchase

Dear InvesMaster Corp. and Mr. Chen:

On November 21, 2007, the Transbay Joint Powers Authority (TJPA) made an offer to purchase 568 Howard Street (Block 3721, Lot 20), San Francisco, California (the "Property") from InvesMaster Corp. based on a January 10, 2006 appraisal of the Property. On September 24, 2008, having heard no response, the TJPA again made the same offer to acquire the Property. InvesMaster did not accept that offer and the TJPA revokes that offer.

This letter constitutes a new, joint offer by the City and County of San Francisco ("City") and the TJPA to purchase the Property from InvesMaster Corp. for Six Million Two Hundred Thousand Dollars (\$6,200,000) for the unencumbered fee simple interest in the Property.

The amount of the offer is the fair market value of the Property, as reflected in the attached Summary Appraisal Statement (dated March 10, 2009). The Summary Appraisal Statement provides a summary of the basis of the appraisal. The City's and the TJPA's joint offer is the full amount of the appraisal. Also attached is a proposed Agreement for Purchase and Sale of Real Estate containing the terms of the proposed purchase of the Property. We would be happy to answer any questions that you have concerning the Summary Appraisal Statement or the proposed Agreement.

As the owner of property acquired by a public agency, InvesMaster Corp. may be entitled to relocation assistance. The attached Relocation Assistance Brochure should answer most questions concerning relocation assistance. If you have any questions that are not answered by this guide, please do not hesitate to contact me.

Letter to InvesMaster Corp. Attn: Virgil Chen September 15, 2009 Page 2

We also attach an information pamphlet detailing the process of eminent domain and your rights under the Eminent Domain Law.

Under Code of Civil Procedure Section 1263.025, should InvesMaster Corp. elect to obtain an independent appraisal, the TJPA will pay for the actual, reasonable costs of the appraisal up to \$5,000, subject to the following conditions:

- (a) InvesMaster Corp., not the City or the TJPA, must order the appraisal. Should the property owner enter a contract with the selected appraiser, the City and the TJPA will not be parties to the contract.
- (b) The selected appraiser must be a Certified General Appraiser with experience in appraising property in eminent domain actions, and licensed by the California Office of Real Estate Appraisers (OREA).
- (c) Appraisal cost reimbursement requests must be made in writing and submitted to the TJPA. The property owner must provide a copy of the invoice for all work completed by the appraiser.

We look forward to working with you to arrive at a mutually satisfactory agreement.

Very truly yours,

CITY AND COUNTY OF SAN FRANCISCO a Municipal Corporation

Amy L. Brown, Director of Property

TRANSBAY JOINT POWERS AUTHORITY

Harry Quinn, Right of Way Acquisition Agent

Letter to InvesMaster Corp.

Attn: Virgil Chen September 15, 2009

Page 3

Enclosures

- (1) Summary Appraisal Statement
- (1) Relocation Assistance Brochure
- (1) Eminent Domain Brochure
- (1) Agreement for Purchase and Sale of Real Estate

cc (w/o encls):

Maria Ayerdi-Kaplan Andrew Schwartz Kristen Jensen



Amy L. Brown Director of Real Estate



October 26, 2010

Via Certified Mail

InvesMaster Corp. c/o Norman E. Matteoni Matteoni, O'Laughlin & Hechtman 848 The Alameda San Jose, CA 95126

Re: 568 Howard Street (Block 3721, Lot 20): Offer to Purchase

Dear InvesMaster Corp. and Mr. Matteoni:

On September 15, 2009, the City and County of San Francisco ("City") and the Transbay Joint Powers Authority (TJPA) made a joint offer to purchase 568 Howard Street (Block 3721, Lot 20), San Francisco, California (the "Property") from InvesMaster Corp. for \$6,200,000 for the unencumbered fee simple interest in the Property. The joint offer was the full amount of a March 10, 2009 appraisal of the Property ("2009 Appraisal"). InvesMaster did not accept the offer. We enclose the joint offer letter for your reference.

Because more than one year had passed since the time of the 2009 Appraisal, federal and state law required an update of the appraisal of the Property. Based on the updated appraisal, date of value September 14, 2010 ("2010 Appraisal Update"), the fair market value of the Property remains \$6,200,000. We enclose the 2010 Appraisal Update for your reference.

On the basis of the 2009 Appraisal and the 2010 Appraisal Update, the City and the TJPA hereby renew the joint offer to purchase the Property for \$6,200,000. If others own interests in the Property, they may be entitled to share in that purchase price. Attached is a proposed Agreement for Purchase and Sale of Real Estate containing the terms of the proposed purchase of the Property. We would be happy to answer any questions that you have concerning the 2009 Appraisal, the 2010 Appraisal Update, or the proposed Agreement.

As the owner of property acquired by a public agency, InvesMaster Corp. may be entitled to relocation assistance. The attached Relocation Assistance Brochure should answer most questions concerning relocation assistance. If you have any questions that are not answered by this guide, please do not hesitate to contact me.

As required by state law, we also attach an information pamphlet detailing the process of eminent domain and your rights under the Eminent Domain Law.

I:\Managers\Admin AB\TJPA 568 Howard doc

Office of the Director of Real Estate • 25 Van Ness Avenue, Suite 400 • San Francisco, CA 94102 (415) 554-9850 • FAX: (415) 552-9216

Under Code of Civil Procedure Section 1263.025, should InvesMaster Corp. elect to obtain an independent appraisal, the TJPA will pay for the actual, reasonable costs of the appraisal up to \$5,000, subject to the following conditions:

- (a) InvesMaster Corp., not the City or the TJPA, must order the appraisal. Should the property owner enter a contract with the selected appraiser, the City and the TJPA will not be parties to the contract.
- (b) The selected appraiser must be a Certified General Appraiser with experience in appraising property in eminent domain actions, and licensed by the California Office of Real Estate Appraisers (OREA).
- (c) Appraisal cost reimbursement requests must be made in writing and submitted to the TJPA. The property owner must provide a copy of the invoice for all work completed by the appraiser.

We look forward to working with you to arrive at a mutually satisfactory agreement. Please contact the TJPA's legal counsel, Deborah (Keeth) Miller at 415-552-7272, at your earliest convenience to discuss this offer.

Very truly yours,

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Enclosures.

- September 15, 2009 joint offer letter
- 2009 Appraisal
- 2010 Appraisal Update
- Relocation Assistance Brochure
- Eminent Domain Brochure
- Agreement for Purchase and Sale of Real Estate

cc (w/o encls): Maria Ayerdi-Kaplan
Deborah Miller
Kristen Jensen

PROPERTY DESCRIPTION



PRELIMINARY REPORT

In response to the application for a policy of title insurance referenced herein, **Chicago Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Attachment One. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the Policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The Policy(s) of title insurance to be issued hereunder will be policy(s) of Chicago Title Insurance Company, a Nebraska corporation.

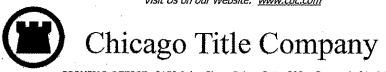
Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Chicago Title Company

ATTEST

Secretary



ISSUING OFFICE: 2150 John Glenn Drive, Suite 300 • Concord, CA 94520 925 288-8000 • FAX 925 521-9562

PRELIMINARY REPORT

Amended

Title Officer: Meg Heppell

Title No.: 05-36901763-E-MH

Locate No.: CACTT7738-7738-2369-0036901763

TO:

Chicago Title Company-San Francisco 455 Market Street, Suite 2100 San Francisco, CA 94105

ATTN: Sue Trowbridge

YOUR REFERENCE: 160251230/Transbay

SHORT TERM RATE: No

PROPERTY ADDRESS: 568 Howard Street, San Francisco, California

EFFECTIVE DATE: October 26, 2010, 07:30 A.M.

The form of Policy or Policies of title insurance contemplated by this report is:

ALTA Owner's Policy (6/17/06)

THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY 1. THIS REPORT IS:

A Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

InvesMaster Corporation, a California corporation

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

BW\PA 11/30/2005

LEGAL DESCRIPTION

EXHIBIT "A"

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

BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF HOWARD STREET, DISTANT THEROEN 175 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF SECOND STREET; RUNNING THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE OF HOWARD STREET 75 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 100 FEET; THENCE AT RIGHT ANGLES SOUTHWESTERLY 75 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 100 FEET TO THE NORTHWESTERLY LINE OF HOWARD STREET AND THE POINT OF BEGINNING.

BEING PORTION OF 100 VARA BLOCK NO. 347.

APN: Lot 020, Block 3721

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

- 1. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation code of the State of California.
- 2. The herein described property lies within the boundaries of a Mello-Roos Community Facilities District ("CFD"), as follows:

CFD No:

90-1

For:

School Facility Repair and Maintenance

Disclosed by:

Notice of Special Tax Lien recorded July 5, 1990 in Book F160, Page 1044

and by Supplemental Notice of Special Tax Lien recorded July 11, 1990, in Book F165, Page 1 et. seq., Official Records of the City and County of San

Francisco

This property, along with all other parcels in the CFD, is liable for an annual special tax. This special tax is included with and payable with the general property taxes of the City and County of San Francisco. The tax may not be prepaid.

Further information may be obtained by contacting:

San Francisco Unified School District Office of the Superintendent for Business 135 Van Ness Ave. San Francisco, CA 94102 Phone (415) 241-6024

Parapet Agreement executed by Louise Cherry to City and County of San Francisco, recorded June 6, 1982, in Book D410, Page 854, Official Records.

(Affects south parapet wall)

 A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Amount:

\$1,380,000.00

Dated:

July 1, 1992

Trustor:

InvesMaster Corporation, a California corporation

Trustee:

Bay View Auxiliary Corporation, a California corporation

Beneficiary:

Bay View Federal Bank, a federal savings bank, a federal corporation

Loan No.:

6900550-2

Recorded:

July 17, 1992, Instrument No. 92-F155610, Reel F672, Image 116, of Official

Records

ITEMS: (continued)

5. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled:

Subordination Agreement

Lessor:

InvesMaster Corporation

Lessee:

Natkin Weisbach Higginbotham, a California general partnership

Recorded:

July 17, 1992, Instrument No. 92-F155611, Reel F672, Image 117, of Official

Records

An agreement (and the provisions contained therein) which states that said lease is subordinate to the

Deed of Trust

Recorded:

July 17, 1992, Instrument No. 92-F155610, of Official Records

By document

Recorded:

July 17, 1992, Instrument No. 92-F155611, of Official Records

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

6. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Amount:

\$4,100,000.00

Dated:

August 15, 1995

Trustor:

InvesMaster Corporation, a California corporation

Trustee:

Fidelity National Title Insurance Company

Beneficiary:

True Crystal Company Limited

Loan No.:

Not shown

Recorded:

August 17, 1995, Instrument No. 95-F832603-00, Reel G447, Image 470, of

Official Records

7. The fact that said land is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the redevelopment plan) as disclosed by a document.

Redevelopment

Agency:

Transbay Redevelopment Project Area

Recorded:

August 4, 2006, Instrument No. 2006-I224836, Book J197, Page 575, of

Official Records

8. Covenants, conditions and restrictions in the declaration of restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded:

August 4, 2006, Instrument No. 2006-I224839, Book J197, Page 578, of

Official Records

9. Any facts, rights, interests, or claims which may exist or arise by reason of the following facts disclosed by survey, Job No. ABN 3721 LOT 20, dated September 18, 2007 prepared by Bureau of Street Use and Mapping Department of Public Works City and County of San Francisco:

ALONG BOUNDARY WITH ASSESSOR'S LOTS 108 & 29

- a) bldg cor. 0.19' ne'ly and 0.04' nw'ly 43'+/- up
- b) bldg cor. 0.04' nw'ly 54'+/- up
- c) bldg cor. 0.13' nw'ly 54'+/- up
- d) brick wall 0.06' nw'ly
- e) gap of 0.17' between boundary of PIQ and Assessor's Lot 29

ALONG BOUNDARY WITH ASSESSOR'S LOTS 92-106

- f) bldg. cor. 0,28' ne'ly 39'+/- up
- g) bldg cor. 0.22' ne'ly and 0.25' nw'ly

ALONG BOUNDARY WITH ASSESSOR'S LOT 19

- h) bldg. cor. 0.21' ne'ly and 0.05' nw'ly 47'+/- up
- i) bldg. cor. 0.10' ne'ly and 0.35' nw'ly

ALONG HOWARD STREET

- j) subterranean basement extending under Howard Street an undisclosed distance
- k) overhang 1.43' se'ly and 0.34' ne'ly 46'+/- up
- I) 3' metal door 0.91' se'ly projected
- m) bldg. cor. 0.57' ne'ly and 0.09' nw'ly
- n) 3' metal door 0.92' se'ly projected
- o) window typ. 0.20' se'ly projected 26'+/- up
- p) overhang 2.34' se'ly and 0.07' nw'ly 47'+/- up
- 10. Any rights of the parties in possession of a portion of, or all of, said land, which rights are not disclosed by the public record.

This Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage. The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

ITEMS: (continued)

11. This Company will require the following documents for review prior to the issuance of any title assurance predicated upon a conveyance or encumbrance by the corporation named below.

Corporation:

InvesMaster Corporation, a California corporation,

(a)

A copy of the corporation By-Laws and Articles of Incorporation.

(b)

An original or certified copy of the Resolution authorizing the transaction

contemplated herein.

(c)

If the Articles and/or By-Laws require approval by a "parent" organization, a

copy of the Articles and By-Laws of the parent.

The right is reserved to add requirements or additional items after completion of such review.

12. This Company will require an Owner's Affidavit to be completed by the party(ies) named below before any title assurance requested under this application will be issued.

Party(ies):

InvesMaster Corporation, a California corporation

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit.

END OF ITEMS

Note 1. The name(s) of the buyer(s) furnished with this application for Title Insurance is/are:

Trans Joint Powers Authority

If these names are incorrect, incomplete or misspelled, please notify the Company.

Note 2. Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts are:

Tax Identification No.:

: Lot 020, Block 3721

Fiscal Year:

2010 - 2011

1st Installment:

\$19,095.08

2nd Installment: Exemption:

\$19,095.08 None

Land:

\$770,599.00

Improvements:

\$2,489,911.00

Personal Property:

\$0.00

- Note 3. The Company is not aware of any matters which would cause it to decline to attach the CLTA Endorsement Form 116 indicating that there is located on said land an office building known as 568 Howard Street, San Francisco, California to an Extended Coverage Loan Policy.
- **Note 4.** There are NO deeds affecting said land, recorded within twenty-four (24) months of the date of this report.

Note 5. Effective December 19, 2008 consider City of San Francisco Transfer Tax \$100 to \$250,000 at \$2.50 per \$500 (\$5.00 per thousan

\$250,000 to \$1,000,000 at \$3.40 per \$500 (\$6.80 per thousand) \$1,000,000 or more but less than or Equal to \$5,000,000 at \$3.75 per \$500 (\$7.50 per thousand) More than \$5,000,000 at \$7.50 per \$500 (\$15.00 per thousand)

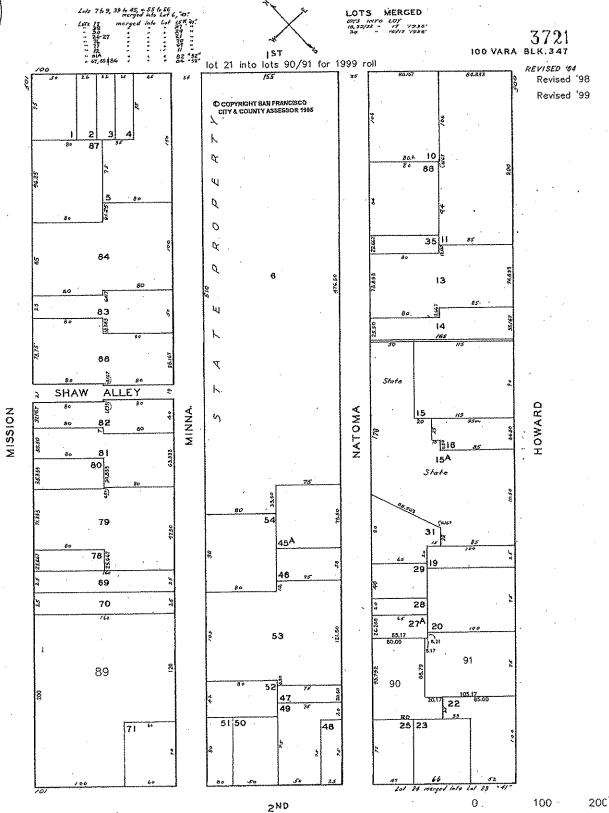
NOTE: These rates are for documents recorded on or after December 19, 2008, regardless of when the instrument was executed.

- Note 6. Section 12413.1, California Insurance Code became effective January 1, 1990. This legislation deals with the disbursement of funds deposited with any title entity acting in an escrow or subescrow capacity. The law requires that all funds be deposited and collected by the title entity's escrow and/or subescrow account prior to disbursement of any funds. Some methods of funding may subject funds to a holding period which must expire before any funds may be disbursed. In order to avoid any such delays, all funding should be done through wire transfer, certified check or checks drawn on California financial institutions.
- Note 7. The charge where an order is canceled after the issuance of the report of title, will be that amount which in the opinion of the Company is proper compensation for the services rendered or the purpose for which the report is used, but in no event shall said charge be less than the minimum amount required under Section 12404.1 of the Insurance Code of the State of California. If the report cannot be canceled "no fee" pursuant to the provisions of said Insurance Code, then the minimum cancellation fee shall be that permitted by law.
- Note 8. California Revenue and Taxation Code Section 18662, effective January 1, 1994 and by amendment effective January 1, 2003, provides that the buyer in all sales of California Real Estate may be required to withhold 3 and 1/3% of the total sales price as California State Income Tax, subject to the various provisions of the law as therein contained.

END OF NOTES



ASSESSOR-RECORDER'S OFFICE



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ATTACHMENT ONE

AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys'

- fees, and expenses resulting from:

 1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - land use
 - improvements on the land land division

 - environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at policy date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered

Title Risks

The right to take the land by condemning it, unless:

a notice of exercising the right appears in the public records on the Policy Date the taking happened prior to the Policy Date and is binding on you if you bought the land without knowledge of the taking

In addition to the Exclusions, you are not insured against loss, costs, attorneys' fees, and the enses resulting from:

Any rights, interests, or claims of parties in possession of the land not shown by the public Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks. Title Risks:

that are created, allowed, or agreed to by you

that are known to you, but not to us, on the Policy Date-unless they appeared in the public records

that result in no loss to you that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

Failure to pay value for your title. Lack of a right:

- to any land outside the area specifically described and referred to in Item 3 of Schedule A

in streets, alleys, or waterways that touch your land
 This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

- Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in item 12 of Covered Title Risks.
- Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990 EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

to alleged violation attending the failures been recorded in the public records at Date of Policy.

(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at

Date of Policy.

Rights of eminent domain unless notice of the exercise thereof has been recorded in the regains of cumerat domain unless motive of the exercise factor has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

Defects, liens, encumbrances, adverse claims, or other matters:

(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;

(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
(c) resulting in no loss or damage to the insured claimant;
(d) attaching or created subsequent to Date of Policy; or
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.

Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the

land is situated.

Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.

Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

SCHEDULE B, PART I EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

PART I

- Taxes or assessments which are not shown as existing liens by the records of any taxing Taxes or assessments which are not shown as existing items by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in
- possession thereof.
- Easements, liens or encumbrances, or claims thereof, which are not shown by the public

records.

Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.

(a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof, (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

ATTACHMENT ONE (CONTINUED)

AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92) WITH A.L.T.A. ENDORSEMENT-FORM 1 COVERAGE EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land, (ii) the character, dimensions or location of any improvement now or hereafter erected on the land, (iii) as exparation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

(b) Any governmental police power not excluded by (a) above, except to the extent that a

(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at

Date of Policy.

Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

Defects, liens, encumbrances, adverse claims, or other matters:

(a) created, suffered, assumed or agreed to by the insured claimant;

(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant become an insured under this policy;

(c) resulting in no loss or damage to the insured claimant;

(d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or

(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is simated.

indebtedness, to comply with applicable doing business laws of the state in which the land is situated. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.

Any claim, which arises out of the transaction creating the interest of the mortgage insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors rights laws, that is based on:

(i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or

(ii) the subordination of the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:

(a) to timely record the instrument of transfer; or

(b) of such recordation to impart notice to a purchaser for value or a judgement or lien, creditor.

AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (18-17-92) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

(a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at the of Policy.

of alleged violation accounts.

Policy.

(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

Date of Policy.

Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

Defects, litens, encumbrances, adverse claims, or other matters:
(a) created, suffered, assumed or agreed to by the insured claimant;

(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;

- claimant prior to the date the insured claimant became an insured under this policy;

 (e) resulting in no loss or damage to the insured claimant;

 (d) attaching or created subsequent to Date of Policy, or

 (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

 Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:

 (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or

 (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:

 (a) to timely record the instrument of transfer; or

 (b) of such recordation to impart notice to a purchaser for value or a judgement or lient creditor.

lien creditor.

The above ALTA policy forms, dated 10-17-92, may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following General Exceptions:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys fees or expenses) which arise by reason of:

Taxes or assessments which are not shown as existing liens by the records of any taxing laxes or assessments which are not shown as exhain their by the fector and watherity that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records. Any facts; rights, interests or claims which are not shown by the public records that which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.

Easements, liens or encumbrances, or claims thereof, which are not shown by the public

records.

Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.

(a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

ATTACHMENT ONE (CONTINUED)

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03) ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03) EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

- Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning.
 - building
 - ь. zoning Land use
 - c. d.

 - improvements on Land Land division environmental protection

- f. environmental protection
 This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.
 This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.

 2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.

 3. The right to take the Land by condemning it, unless:

 a. notice of exercising the right appears in the Public Records at the Policy Date; or
 b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.

- - that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - Public Records at the Policy Date;

 that result in no loss to You; or

 that first occur after the Policy Date this does not limit the coverage described in
 Covered Risk 7, 8.d, 22, 23, 24 or 25.

 Failure to pay value for Your Title.
 Lack of a right:

 a. to any Land outside the area specifically described and referred to in paragraph 3 of
 Schedule A; and

- b. in streets, alleys, or waterways that touch the Land.

 This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 14:	1.00% of Policy Amount or \$ 2.500.00 (whichever is less)	\$ <u>10,000.00</u>
Covered Risk 15:	1.00% of Policy Amount or \$ 5.000.00 (whichever is less)	\$ <u>25,000.00</u>
Covered Risk 16:	1.00% of Policy Amount or \$ 5.000.00 (whichever is less)	\$ 25,000.00
Covered Risk 18:	1.00% of Policy Amount or \$ 2.500.00 (whichever is less)	\$ <u>5,000.00</u>

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01) EXCLUSIONS FROM COVERAGE

- The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys fees or expenses which arise by reason of:

 1. (a) Any law, ordinance or governmental regulation (including but not limited to zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the cocupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvements now or hereafter erected on the Land; (iii) a separation in ownership or change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
 - of an egged violation alterium; the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.

 (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.

 Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.

 Defects, liens, encumbrances, adverse claims or other matters:

 (a) created, suffered, assumed or agreed to by the Insured Claimant;

 (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the linsured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

 (c) resulting in no loss damage to the Insured Claimant;

- (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is sibated.
- is studied.

 Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
- Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
- under Covered Risks 7, 8(e) and 26.

 Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.

 Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured Mortgage which charges (a) The time of the advance; or

 (b) The time a modification is made to the terms of the Insured Mortgage which charges the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.

 The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

Notice

You may be entitled to receive a \$20.00 discount on escrow services if you purchased, sold or refinanced residential property in California between May 19, 1995 and November 1, 2002. If you had more than one qualifying transaction, you may be entitled to multiple discounts.

If your previous transaction involved the same property that is the subject of your current transaction, you do not have to do anything; the Company will provide the discount, provided you are paying for escrow or title services in this transaction.

If your previous transaction involved property different from the property that is subject of your current transaction, you must - prior to the close of the current transaction - inform the Company of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount.

Unless you inform the Company of the prior transaction on property that is not the subject of this transaction, the Company has no obligation to conduct an investigation to determine if you qualify for a discount. If you provide the Company information concerning a prior transaction, the Company is required to determine if you qualify for a discount which is subject to other terms and conditions.

Effective Date: 5/1/2008

Fidelity National Financial, Inc. Privacy Statement

Fidelity National Financial, Inc. and its subsidiaries ("FNF") respect the privacy and security of your non-public personal information ("Personal Information") and protecting your Personal Information is one of our top priorities. This Privacy Statement explains FNF's privacy practices, including how we use the Personal Information we receive from you and from other specified sources, and to whom it may be disclosed. FNF follows the privacy practices described in this Privacy Statement and, depending on the business performed, FNF companies may share information as described herein.

Personal Information Collected

We may collect Personal Information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- Information we receive from you through our Internet websites, such as your name, address, email
 address, Internet Protocol address, the website links you used to get to our websites, and your activity
 while using or reviewing our websites;
- Information about your transactions with or services performed by us, our affiliates, or others, such as
 information concerning your policy, premiums, payment history, information about your home or other
 real property, information from lenders and other third parties involved in such transaction, account
 balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded documents.

Disclosure of Personal Information

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To insurance agents, brokers, representatives, support organizations, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers for the purpose of determining your eligibility for an insurance benefit or payment and/or providing you with services you have requested;
- To an insurance regulatory authority, or a law enforcement or other governmental authority, in a civil
 action, in connection with a subpoena or a governmental investigation;
- To companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

We may also disclose your Personal Information to others when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.

Effective Date: 5/1/2008

<u>Disclosure to Affiliated Companies</u> - We are permitted by law to share your name, address and facts about your transaction with other FNF companies, such as insurance companies, agents, and other real estate service providers to provide you with services you have requested, for marketing or product development research, or to market products or services to you. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

<u>Disclosure to Nonaffiliated Third Parties</u> - We do not disclose Personal Information about our customers or former customers to nonaffiliated third parties, except as outlined herein or as otherwise permitted by law.

Confidentiality and Security of Personal Information

We restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard Personal Information.

Access To Personal Information/

Requests for Correction, Amendment, or Deletion of Personal Information

As required by applicable law, we will afford you the right to access your Personal Information, under certain circumstances to find out to whom your Personal Information has been disclosed, and request correction or deletion of your Personal Information. However, FNF's current policy is to maintain customers' Personal Information for no less than your state's required record retention requirements for the purpose of handling future coverage claims.

For your protection, <u>all requests made under this section must be in writing and must include your notarized signature to establish your identity.</u> Where permitted by law, we may charge a reasonable fee to cover the costs incurred in responding to such requests. Please send requests to:

Chief Privacy Officer
Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, FL 32204

Changes to this Privacy Statement

This Privacy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Statement, we will post a notice of such changes on our website. The effective date of this Privacy Statement, as stated above, indicates the last time this Privacy Statement was revised or materially changed.

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

FNF Underwritten Title Company

CTC - Chicago Title Company

FNF Underwriter

CTIC - Chicago Title Insurance Company

Available Discounts

CREDIT FOR PRELIMINARY REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (CTIC)

Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within 12 or 36 months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge.

FEE REDUCTION SETTLEMENT PROGRAM (CTC and CTIC)

Eligible customers shall receive a \$20.00 reduction in their title and/or escrow fees charged by the Company for each eligible transaction in accordance with the terms of the Final Judgments entered in *The People of the State of California et al. v. Fidelity National Title Insurance Company et al.,* Sacramento Superior Court Case No. 99AS02793, and related cases.

DISASTER LOANS (CTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be 50% or 70% of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be 32% or 50% of the appropriate title insurance rate, depending on the type of coverage selected.

LEGAL DESCRIPTION

EXHIBIT "A"

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

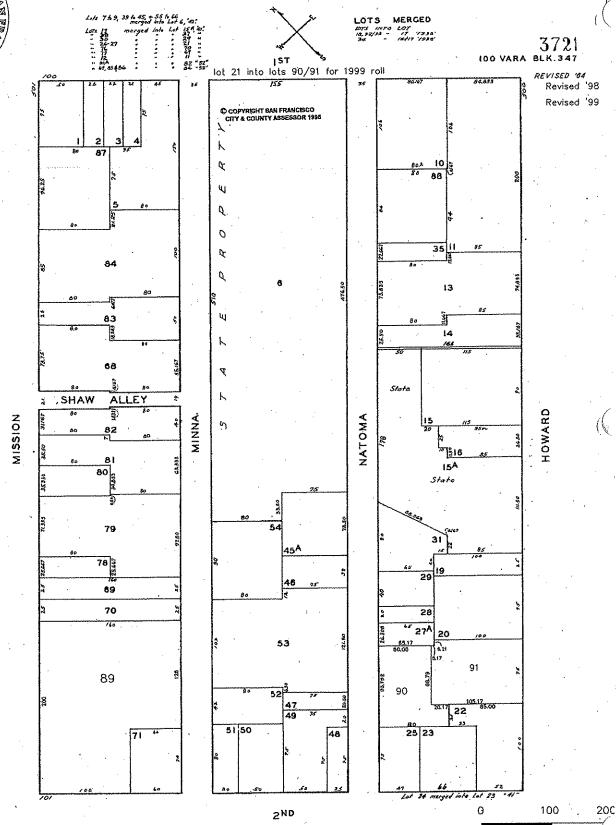
BEGINNING AT A POINT ON THE NORTHWESTERLY LINE OF HOWARD STREET, DISTANT THEROEN 175 FEET NORTHEASTERLY FROM THE NORTHEASTERLY LINE OF SECOND STREET; RUNNING THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE OF HOWARD STREET 75 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY 100 FEET; THENCE AT RIGHT ANGLES SOUTHWESTERLY 75 FEET; THENCE AT A RIGHT ANGLE SOUTHEASTERLY 100 FEET TO THE NORTHWESTERLY LINE OF HOWARD STREET AND THE POINT OF BEGINNING.

BEING PORTION OF 100 VARA BLOCK NO. 347.

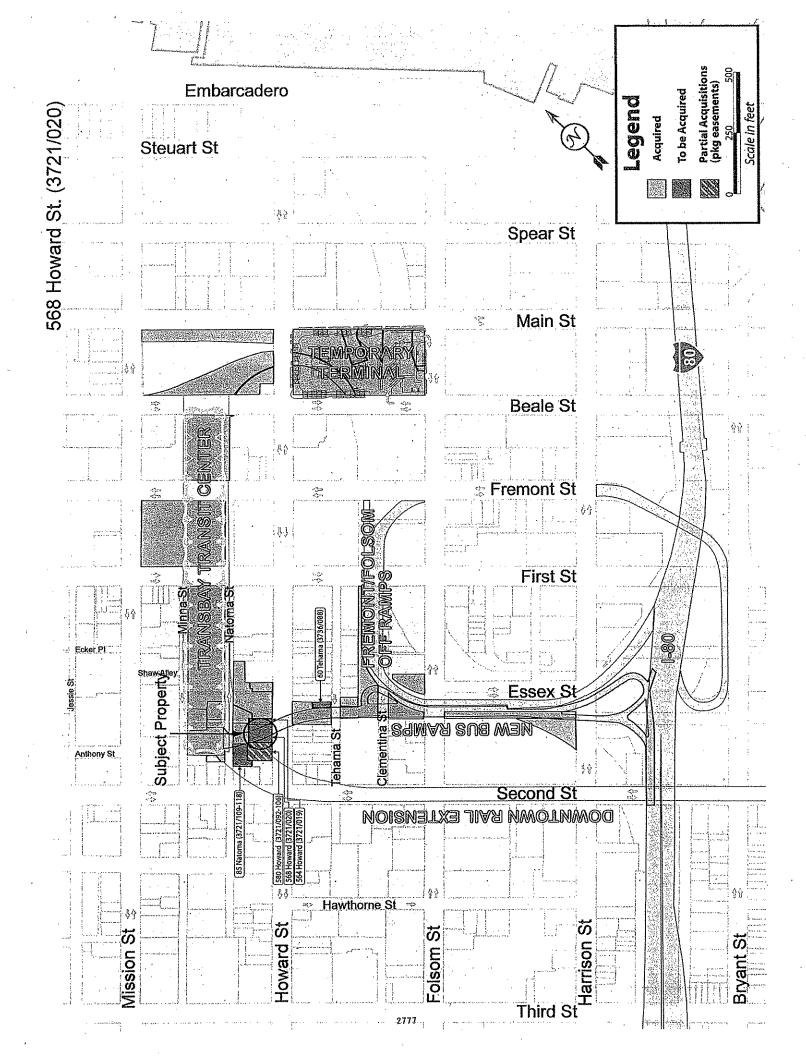
APN: Lot 020, Block 3721

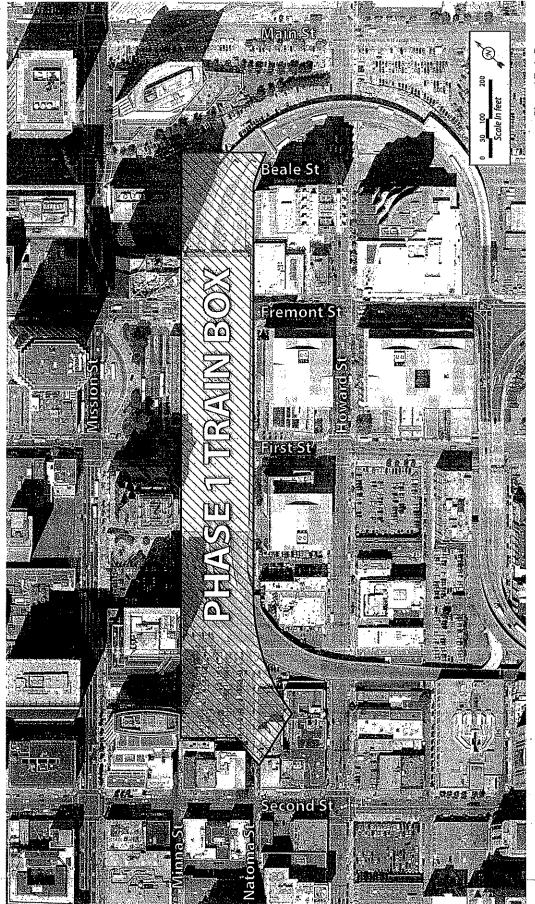


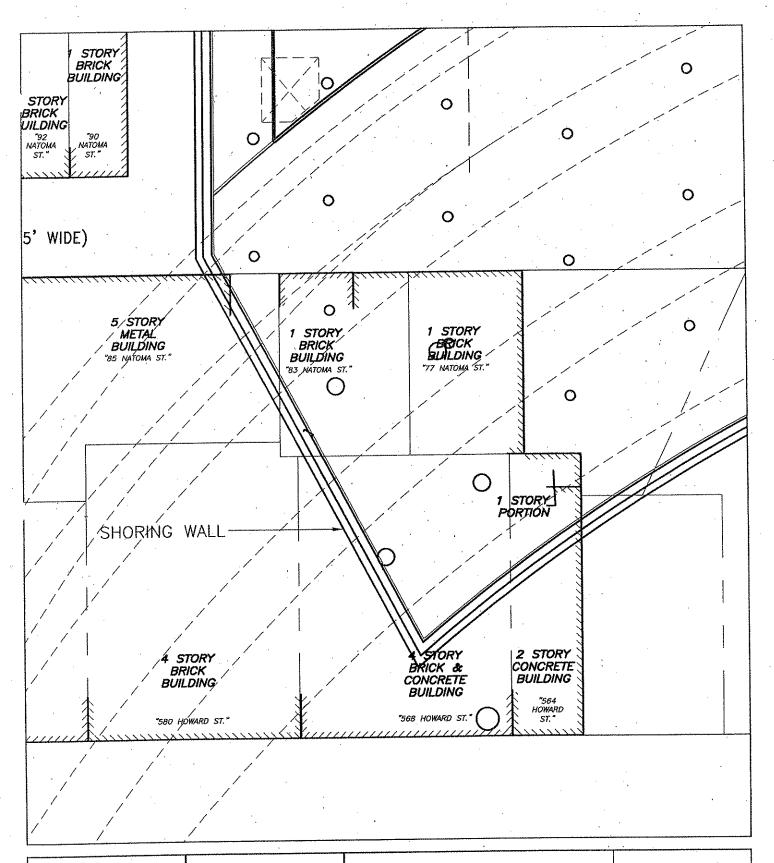
ASSESSOR-RECORDER'S OFFICE

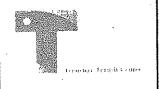


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DRAWING TITLE: SHORING WALL LAYOUT ARCHITECTURAL LAYOUT

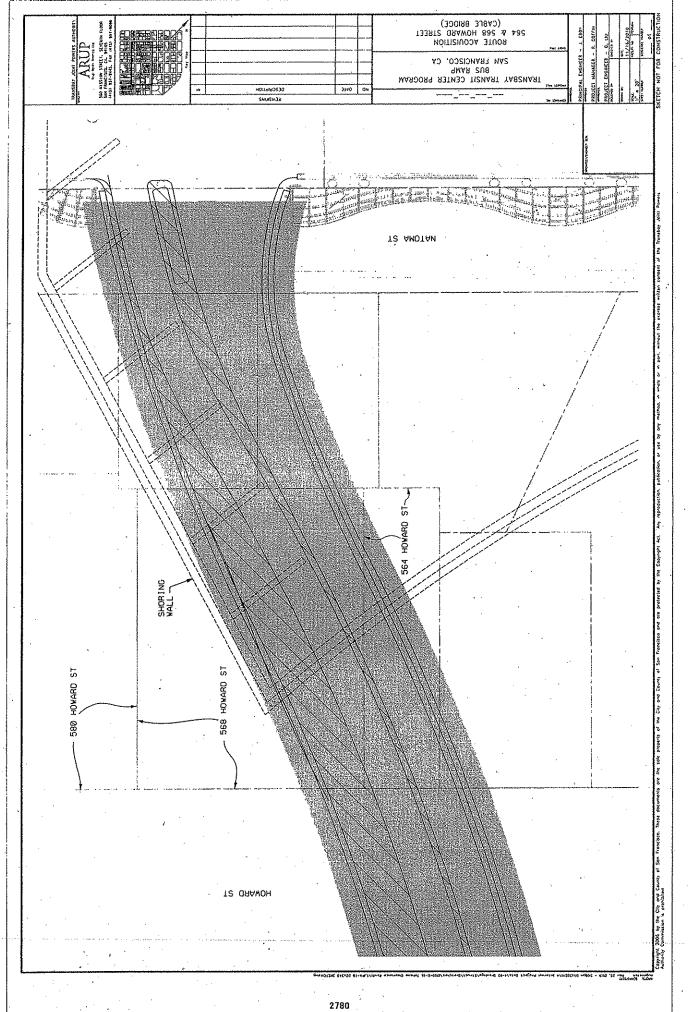
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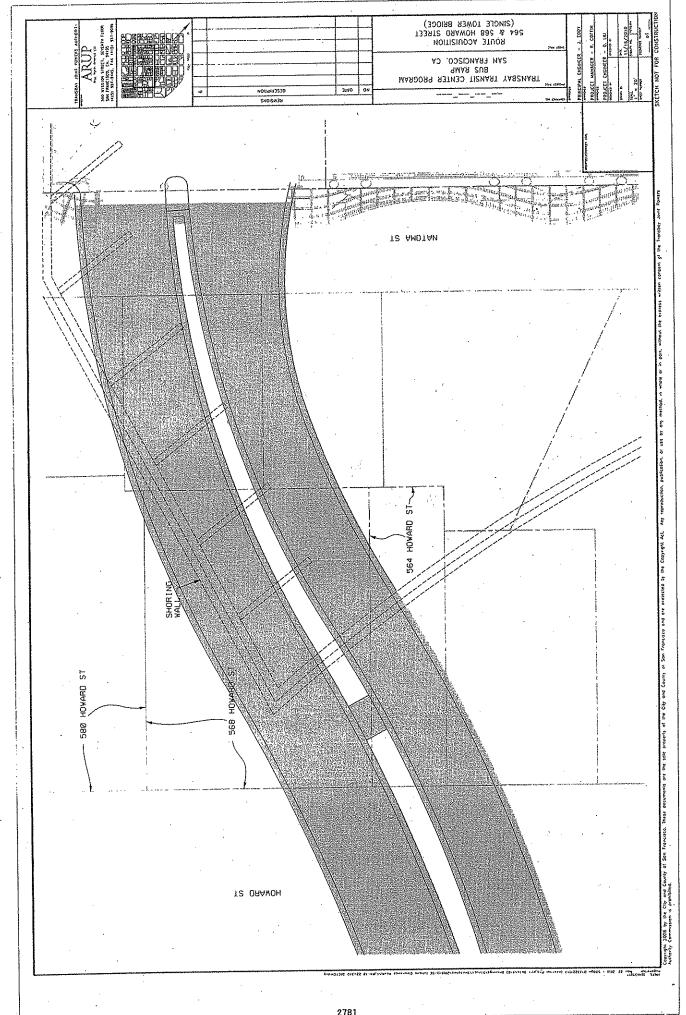
DATE:

09/17/10 0803-00 SKA-1045

DRAWN BY: CHECKED BY:

GR PM





CORRESPONDENCE

SHUTE, MIHALY & WEINBERGER LLP

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DAVID NAW! ANDREW W. SCHWARTZ OF COUNSEL

October 23, 2006

InvesMaster Corp. c/o Virgil Chen 2243 Ringwood Ave. San Jose, CA 95131

County: San Francisco

Assessor's Parcel Number: Block 3721, Lot 20 Street Address: 568 Howard Street

Street Address: 568 Howard Street San Francisco, CA

Re: Notice of Decision to Appraise and Notice of Land Acquisition
Procedures

Dear Mr. Chen:

The Transbay Joint Powers Authority ("TJPA"), the City and County of San Francisco ("City"), the San Francisco Redevelopment Agency ("Agency"), and the Peninsula Corridor Joint Powers Board ("JPB") are engaged in a project that will: (1) construct a multimodal Transbay Transit Center on the site of the present Transbay Terminal (at Mission and First Streets); (2) extend Caltrain commuter rail service from its current terminus at Fourth and Townsend Streets to the proposed new Transbay Transit Center; and (3) implement a Redevelopment Plan with related development projects ("the Program"). Our firm represents the TJPA on matters relating to the Program.

The Program will occupy an area generally located south of Market Street and east of Fourth Street in downtown San Francisco ("the Program Area"). We understand that InvesMaster Corp. owns property located at 568 Howard Street in San Francisco ("the Property"). This Property is within the Program Area and partial acquisition of the Property may be required for the Program.

We are writing to you today to notify you of the TJPA's decision to appraise the Property and to describe the TJPA's land acquisition procedures and policies. In particular, we would like to inform you that the TJPA has "federalized" the Program in order to qualify for certain federal funding. Based on federal requirements, the TJPA has adopted real property appraisal procedures which require two appraisals of each property, a review appraisal, and

Virgil Chen October 23, 2006 Page 2

review of the appraisals by the Federal Transit Administration ("FTA"). The TJPA hopes that this letter will open a dialogue between your company and the TJPA regarding the Program and the acquisition process.

The TJPA's Decision to Appraise the Property.

The first purpose of this letter is to give your company notice of the TJPA's decision to appraise the Property for potential acquisition for the Program. This notice is required by state law, 25 California Code of Regulations Section 6184. The TJPA has retained two independent real property appraisers, Chris Carneghi, MAI, of Carneghi-Blum & Partners, Inc., and John Clifford, MAI, Clifford & Associates, to make two independent fair market value appraisals of the Property. Each appraiser will contact you to make arrangements for an appraisal of the Property. You and/or your representative are invited to accompany the appraisers during their respective inspections of the Property.

The TJPA's review appraiser will review the Carneghi and Clifford appraisals and recommend that the TJPA approve one of the appraisals. The appraisals and the reviewer's recommendations will be forwarded to the FTA for its review. Following FTA review, the TJPA will make your company a written offer of just compensation to purchase the Property. The TJPA's offer will be no less than the approved appraisal of the value of the Property. The TJPA will carefully consider any information that your company would like to present regarding the value of the Property. The TJPA hopes that this process will result in a voluntary sale of the Property to the TJPA.

If your company and the TJPA cannot reach a voluntary agreement, then the TJPA may recommend to the City that the City use eminent domain, also called "condemnation," to acquire the Property. The TJPA has no power of eminent domain. The TJPA will ask the City to decide whether to institute a formal condemnation proceeding against the Property as soon as possible following any recommendation by the TJPA.

Description of the TJPA's Land Acquisition Procedures.

The second purpose of this letter is to give your company notice of the TJPA's land acquisition policies and procedures. This notice is also required by state law, 25 California Code of Regulations Section 6188. The policies and procedures are as follows:

The basic objectives of the TJPA's land acquisition program are to make every reasonable effort to acquire expeditiously real property by agreements with property owners at the properties' fair market value so as to avoid litigation, to assure consistent treatment of all property owners located within a project area, and to promote public confidence in the TJPA's land acquisition practices. We have enclosed an informative booklet prepared by the California Department of Transportation titled "Your Property/Your Transportation Project," which will provide your company with answers to questions that owners frequently ask concerning the land acquisition process.

Virgil Chen October 23, 2006 Page 3

- In the event that the TJPA decides to acquire the Property, the amount that your company will be offered for the Property will be the amount that the TJPA will have determined to be just compensation based on an appraisal of the fair market value of the Property. The offer will not be less than the full amount of the TJPA's appraisal of the Property. The offer will disregard any decrease or increase in the fair market value of the Property prior to the date of valuation caused by the Program for which the Property is to be acquired, other than due to physical deterioration within the reasonable control of the property owner or occupant. The offer will not reflect any consideration of or allowance for any relocation assistance and payments or other benefit that the owner is entitled to receive under any agreement with the TJPA.
- If your company rejects the TJPA's offer of just compensation for the Property, and the City elects to condemn the Property, your company is entitled to have the amount of compensation determined by a court of law under the Eminent Domain Law of the State of California (Code of Civil Procedure §§ 1230.010 et seq.).
- Your company will be entitled to receive full payment prior to vacating the real property being purchased unless your company has elected to waive such entitlement. Your company is not required to pay recording fees, transfer taxes, or the pro rata portion of real property taxes that are allocable to any period after the passage of title or possession.
- In addition to receiving just compensation for any property acquired by the TJPA, your company and/or any occupants of the Property may be eligible to receive relocation benefits under the California Relocation Assistance Act (Government Code §§ 7260 et seq.) and/or the federal Uniform Relocation Assistance and Real Property Act (42 U.S.C. §§ 4601 et seq.). This notice does not, however, constitute an offer to purchase the Property, nor does it establish your company's eligibility or the eligibility of any occupant(s) of the Property for relocation assistance or relocation payments. Only those owners and/or occupants in occupancy at the time of the first written offer to purchase the Property may be eligible for relocation payments. All relocation services and benefits which your company may be entitled to will be administered without regard to race, color, national origin, or sex, in accordance with Title VI of the Civil Rights Act of 1964 (41 U.S.C. §§ 2000d et seq.) and Section 162(a) of the Federal Highway Act of 1973 (23 U.S.C. § 324). Enclosed for your company's information are a copy of the Title VI statute and its implementing regulations, a booklet prepared by the California Department of Transportation titled "Working Together Works," a description of the Title VI complaint process, and a Discrimination Complaint Form.
- Your company representative and/or another representative who has been designated in writing shall be given the opportunity to accompany the TJPA's appraiser during inspection of the Property.
- If the acquisition of a portion of the Property will leave your company with a remnant of land having little market value, the TJPA will offer to purchase it from your company.
- The TJPA, the Agency, and the JPB will schedule construction of the Program such that any person or business legally occupying the Property shall have at least 90 days

Virgil Chen October 23, 2006 Page 4

written notice of the date by which any occupant of the Property must vacate the Property, unless a court finds that the TJPA has an urgent need for possession of the Property and that possession will not displace or unreasonably affect any person in actual and lawful possession of the property to be acquired, or unless there is an emergency that threatens the general health or safety of the community.

If after acquisition of the Property the TJPA makes arrangements to rent the Property to your company or your company's tenant(s) for a short term or for a period subject to termination by the TJPA on short notice, the rent will not exceed the lesser of the fair rental value of the Property to a short term occupier or the pro rata portion of the fair rental value for a typical rental period.

As noted above, Mr. Carneghi and Mr. Clifford will contact you to make arrangements with your company to appraise the Property. Please advise us if there is another person to whom we should direct our correspondence regarding the appraisal or other matters relating to the Property. Please let us know if your company is represented by counsel on matters relating to acquisition of the Property.

The TJPA is interested in keeping affected property owners fully informed about the Program and the land acquisition process. Please feel free to contact me or Maria Ayerdi, Executive Director of the TJPA, at any time if you have any questions or concerns.

Very truly yours,

SHUTE, MIHALY & WEINBERGER LLP

and Schwartz

ANDREW W. SCHWARTZ

Enclosures

cc: Roark O'Neill, Ritchie Commercial Maria Ayerdi (without enclosures) Chris Carneghi (without enclosures) John Clifford (without enclosures)



May 25, 2007

Mr. Virgil Chen InvesMaster Corp. 2243 Ringwood Avenue San Jose, CA 95131

Subject:

Transbay Transit Center Program.

Notice of Project Activity

Affected Property Address: 568 - 576 Howard Street, San Francisco, California

Dear Mr. Chen:

The Transbay Joint Powers Authority ("TJPA") is planning to purchase certain properties in San Francisco for the development of the proposed Transbay Transit Center Program ("Transbay Program"). The Transbay Program is a regional transportation and housing plan that consists of three interconnected elements; (1) replacing the outmoded and seismically unsafe Transbay Terminal with a new multi-modal Transbay Transit Center that will accommodate local and regional bus operators and commuter and intercity rail; (2) extending Caltrain 1.3 miles from Fourth and King streets into the new Transbay Transit Center at First and Mission streets; and (3) creating a new transit-friendly neighborhood with 3,400 new homes (35% of which will be affordable), and mixed use commercial development.

As you know, the property that you own located at 568 - 576 Howard Street, San Francisco, California ("the Property") is one of several properties in the area that might be purchased for the Transbay Program.

The TJPA recognizes that its purchase of the Property would have important impacts on you and your tenants. If the TJPA acquires the Property, the tenants and occupants of your Property would be required to relocate to allow for the construction of the Transbay Program. The TJPA will provide relocation assistance to all eligible occupants and tenants that are required to relocate, in compliance with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the California Relocation Act.

It is important that the TJPA understand how the Transbay Program might affect you and your tenants if it purchases the Property. The TJPA is in the process of preparing a Draft Relocation Impact Study ("Study") that identifies the needs of occupants and tenants of property that the TJPA may purchase and addresses the issue of available replacement sites within the community. The Study will also describe the TJPA's commitment to provide relocation

Mr. Virgii Chen InvesMaster Corp. May 25, 2007 Page 2 of 2

assistance to occupants and tenants affected by the Transbay Program in accordance with federal and state relocation laws and regulations.

The TJPA has hired a relocation consultant, Associated Right of Way Services, Inc. ("AR/WS"), to assist it in administering the TJPA's Relocation Assistance Program and providing relocation services. We want to notify you that AR/WS will attempt to schedule a meeting with your tenants to discuss the TJPA's Relocation Assistance Program and gather information for the Draft Relocation Impact Study. AR/WS will explain that the TJPA has not purchased the Property, and will stress to your tenants that they should not move from the Property at this time. AR/WS will encourage your tenants to continue to honor their existing rental agreements. AR/WS also will explain to your tenants that if they move prematurely, they will not be provided with relocation assistance.

If you have any questions regarding these meetings, or if you would like to discuss the Transbay Program in greater detail, please contact me at (650) 892-5425.

Sincerely,

Harry Quinn

Right-of-Way Coordinator

Transbay Joint Powers Authority

cc;

Associated Right of Way Services, Inc.

Roark O'Neill - Ritchie Commerical

Enclosures: Relocation Assistance Brochure

Transbay Transit Center information folder

Certification of Delivery

This Notice was sent via first class and certified mail on May 25, 2007.

Signature:

- K. Clhea

Date: May 25, 2007



Norman E. Matteoni Peggy M. O'Laughlin Bradley M. Matteuni Barton G. Hechtman Gerry Houlihan October 19, 2009

Maria Ayerdi Executive Director Transbay Joint Powers Authority 201 Mission Street, Suite 1960 San Francisco, CA 95105

Re. 568 Howard Street (Block 3721, Lot 20) San Francisco

Dear Ms. Ayerdi:

This firm represents InvesMaster Corporation, the owner of the real property at 568 Howard Street. The purpose of this letter is to inform TJPA that InvesMaster Corporation will be seeking compensation from TJPA for loss of rents and related consequential damages due to tenants vacation of their leased premises as a result of TJPA's contact with these tenants, informing them of TJPA's intent to condemn the property, and the dates by which the tenants will be required to relocate.

TJPA neither owns the property, nor has prejudgment possession of the property. Therefore, TJPA has no legal right to require, pressure, or request InvesMaster Corp.'s tenants to vacate the property in advance of TJPA's possession or ownership of the property. TJPA's action of informing tenants of when they would be required to relocate is improperly inducing tenants to breach their respective leases by terminating the lease and vacating the premises before their term expires.

One of the building's tenants informed us that it has received at least three notifications from TJPA informing it of various dates of



848 The Alameda San Jose, CA 95126 ph. 408.293.4300 fax. 408.293.4004 www.matteoni.com when it will have to relocate because of TJPA's intended acquisition of the leased premises. The most recent TJPA notice states that "If the TJPA is successful in acquiring the property, your business will not be required to relocate before January 31, 2010." The implication of the notice is that these tenants must vacate by January 31, 2010. But, TJPA has not instituted eminent domain proceedings to acquire prejudgment possession of the property by January 31, 2010. And, from the owner's perspective, there are no purchase negotiations with TJPA which would support TJPA's assertion that it would acquire the property by January 31, 2010.

The TJPA's precondemnation conduct to date has had dire financial consequences to the property owner. The property owner will seek precondemnation *Klopping* damages against the TJPA for its precondemnation conduct which has resulted in the owner's loss of substantial rental revenues due to tenants early vacation of the premises and being unable to lease space in the building to new tenants.

It is our position that if the TJPA wants tenants to vacate the property in advance of the TJPA's possession of the property and where such early vacation of the property by the tenant constitutes a breach of the lease, the TJPA must assume, in full, the lease obligations of those tenants.

Yours truly;

NORMAN E. MATTEONI

NEM:PMO/jm

cc: Harry Quinn, Transbay Joint Power Authority Virgil Chen

SHUTE, MIHALY & WEINBERGER LLP

E. CLEMENT SHUTE, JR.* MARK I. WEINBERGER (1946-2005) FRAN M: LAYTON RACHEL B. HOOPER ELLEN J. GARBER TAMARA S. GALANTER ANDREW W. SCHWARTZ ELLISON FOLK RICHARD S. TAYLOR WILLIAM J. WHITE ROBERT S. PERLMUTTER OSA L. WOLFF MATTHEW D. ZINN CATHERINE C. ENGBERG AMY J. BRICKER GABRIEL M.B. ROSS DEBORAH L. KEETH WINTER KING

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ANDREW W. SCHWARTZ SCHWARTZ@SMWLAW.COM (415) 552-7272 Ext. 247

December 18, 2009

Via U.S. Mail

* SENIOR COUNSEL

Norman E. Matteoni Matteoni, O'Laughlin & Hechtman 848 The Alameda San Jose, CA 95126

Re: 568 Howard Street (Block 3721, Lot 20) San Francisco

Dear Mr. Matteoni:

This firm represents the Transbay Joint Powers Authority (TJPA) on matters relating to the Transbay Transit Center Program (the "Transbay Program"). We are writing in response to your October 19, 2009 letter addressed to the TJPA's Executive Director regarding 568 Howard Street, San Francisco (the "Property").

The Transbay Program will serve as a national model for transit-oriented development — locating public transit in an urban downtown environment close to employment, housing, and other amenities. The Transbay Program will serve eight Bay Area counties through nine transportation systems, including California High Speed Rail, and will serve more than 45 million passengers per year, facilitating wider use of public transit. The Transbay Program will save commuters almost an hour a day in travel time, resulting in fewer cars on the road. When the Transbay Program is complete, we estimate there will be about 33,000 rail trips to the Transbay Transit Center from the Peninsula each weekday, resulting in a reduction of more than 36,000 tons of carbon dioxide each year. The Transbay Program will also create more than 125,000 construction jobs, stimulating our local economy.

Norman E. Matteoni December 18, 2009 Page 2

You contend in your letter that the TJPA's contact with tenants of the Property about the Transbay Program and relocation assistance available to the tenants has damaged your client. You suggest that your client will file suit against the TJPA seeking precondemnation *Klopping* damages.

As explained below, your contentions regarding the content of the TJPA's communications with the tenants of the Property are false. Regardless, as the San Francisco County Superior Court recently affirmed, a property owner cannot seek *Klopping* damages unless the TJPA has condemned the property. Even if the TJPA or the City and County of San Francisco were to condemn the Property, your client would not be entitled to precondemnation damages. We suggest that it would be more productive for InvesMaster and the TJPA to engage in a dialogue regarding possible terms for the TJPA's acquisition of the Property through a negotiated purchase-sale agreement.

The TJPA's Contact with Tenants

Contrary to your suggestion, the TJPA has not "induced," "required," "pressured," or "requested" that any tenants of the Property vacate the premises before the TJPA acquires possession of the Property.

The TJPA has corresponded with tenants of the Property to provide (a) notices and information regarding the Transbay Program, the TJPA's plans for acquisition of real estate, and relocation assistance available to affected occupants, (b) courtesy updates to property owners, businesses, tenants, and neighbors about the expected Transbay Program schedule, and (c) responses to specific inquiries from tenants and others about the Transbay Program. These communications are required by federal and state law where a public agency plans to acquire property for a public project. It is settled law that these communications do not constitute a basis for precondemnation damages.

Your letter states that the TJPA has informed the tenants of the Property of the TJPA's intent to condemn the Property. This is false. The TJPA has never announced a formal intention to condemn the Property and the TJPA's correspondence with the tenants says nothing about condemnation. Rather, the correspondence explains that the TJPA has "made an offer to purchase the Property from the owner" and "negotiations are ongoing."

Your letter states that the TJPA has informed the tenants of specific dates by which the tenants will be required to relocate from the Property. This also is untrue. The TJPA's notice to the tenants of their eligibility to receive relocation assistance (a notice whose timing and content is prescribed by law) states that the tenants would *not* be required to vacate the Property until (1) the TJPA owns the Property, and (2) the TJPA gives the tenants at least 90 days formal, written notice to vacate. Neither of these conditions have been satisfied. Each of the TJPA's subsequent updates to the tenants about the Transbay

Norman E. Matteoni December 18, 2009 Page 3

Program explain that the TJPA has *not* yet acquired the Property and that the tenants would only be required to relocate "if the TJPA is successful in acquiring the property." Thus, just the opposite from informing the tenants that they must vacate the Property, the TJPA's correspondence has kept the tenants informed that they may continue to occupy the Property.

There Is No Basis to Recover Klopping Damages

Any claim by InvesMaster against the TJPA for precondemnation damages would be meritless and a waste of resources for the parties and the court. The San Francisco County Superior Court recently sustained the TJPA's demurrer to a similar claim for precondemnation damages for the reasons described below.

For a property owner to recover damages under *Klopping v. City of Whittier* (1972) 8 Cal.3d 39, the owner must at the very least allege that a public agency has either (1) made a formal announcement that it intends to condemn a property, after which the agency unreasonably delayed filing a condemnation action, or (2) acted unreasonably prior to condemning the property. "By definition, damages for precondemnation conduct require that the property be condemned." *Smith v. City and County of San Francisco* (1990) 225 Cal.App.3d 38, 47. Here, the TJPA has not condemned InvesMaster's Property, the TJPA has not imposed any regulation affecting the use, financing, or sale of the Property, and the TJPA has not denied InvesMaster all use of the Property. Without any direct or indirect condemnation, InvesMaster cannot make out a claim for precondemnation damages.

Even if actual condemnation were not required, an official announcement of the agency's intent to condemn is required. "In order for any right to pre-condemnation damages to accrue, . . . there must have been either some formal announcement by the condemning agency of its intention to condemn, or some other official act or expression of intent to acquire the property in question." Terminals Equipment Co. v. City and County of San Francisco (1990) 221 Cal.App.3d 234, 245. The City and the TJPA have not adopted a resolution of necessity under Code of Civil Procedure section 1245.220 to initiate condemnation proceedings for the Property.

Moreover, InvesMaster cannot allege any "unreasonable" precondemnation conduct on the part of the TJPA. The courts have only recognized such unreasonable conduct in two situations: (1) when a public entity delayed commencing an eminent domain action after the governing body adopted a resolution of necessity stating its intent to acquire property by eminent domain (City and County of San Francisco v. Golden Gate Heights Investments (1993) 14 Cal.App.4th 1203, 1207, 1213), or (2) when a public entity downzoned a property or took other regulatory action to depress a property's value prior

Norman E. Matteoni December 18, 2009 Page 4

to condemning it. Helix Land Co. v. City of San Diego (1978) 82 Cal. App.3d 932, 941, 946. Neither situation has occurred here; thus, the TJPA has not acted "unreasonably."

The TJPA and the City made a joint offer to acquire the Property from InvesMaster in September 2009. We have not received any response to that offer. We would be pleased to consider any information your client would like to provide regarding the value of the Property. Please do not hesitate to contact me.

Very truly yours,

SHUTE, MIHALY & WEINBERGER LLP

Andrew W. Schwartz

cc: Kristen Jensen, Deputy City Attorney Maria Ayerdi-Kaplan, TJPA



Norman E. Matteoni Peggy M. O'Laughlin Bradley M. Matteoni Barton G. Hechtman Gerry Houlihan April 23, 2010

Maria Ayerdi Executive Director Transbay Joint Powers Authority (TJPA) 201 Mission Street, Suité 1960 San Francisco, CA 94105

Re. 568 Howard Street San Francisco

Dear Ms. Ayerdi:

This firm represents Invesmaster Corporation, the owner of the real property at 568 Howard Street. Last October, we wrote to you on behalf of our client concerning TJPA's Right of Way agent's contacts with the tenants at 568 Howard Street informing them of TJPA's desire to acquire the property in 2009 and that, if TJPA was successful in acquiring the property their business would not be required to relocate before January 21, 2010.

Naturally, these notices have had a deleterious effect on the owner's relations and lease agreements with its tenants. We addressed these concerns in our prior letter to the TJPA and informed TJPA that the property owner will seek precondemnation damages against the TJPA for its conduct, which has resulted in the owner's loss of rental revenues. TJPA's notification to the tenants of its intent to acquire the 568 Howard Street property and the tenants' need to relocate has and will induce some of the tenants to breach their lease agreements and vacate the premises before their lease terms expire although TJPA neither possesses nor owns the property.

848 The Alameda San Jose, CA 95126 ph. 408.293.4300 fax. 408.293.4004 www.matteoni.com The TJPA's recent notices, dated April 15, 2010, to the tenants state that the City and County of San Francisco and TJPA made a joint offer to purchase the 568 Howard Street on September 15, 2009. As indicated by the owner's non-response to the City's offer, the owner has rejected the City's offer and at present there are no ongoing negotiations between the property owner and City and County of San Francisco and TJPA with regard to TJPA's acquisition of the property.

Furthermore, other than TJPA's repeated notices to the owner's tenants that they need to find a replacement site because of TJPA's intended acquisition, the owner has received no information from the TJPA of its timeline for its intended acquisition and/or condemnation of the property. The owner is entitled to receive such crucial information involving its property particularly given TJPA's conduct in notifying the owner's tenants of its plan of acquisition. The tenants are likely to believe there is an imminent deadline and the owner knows of none from your agency.

Yours truly,

NORMAN E. MATTEONI

NEM/PMO/jm

cc: Harry Quinn, Right of Way Acquisition Agent, TJPA
Andrew Schwartz, Counsel to TJPA
Invesmaster Corporation

SHUTE, MIHALY & WEINBERGER LLP ATTORNEYS AT LAW

E. CLEMENT SHUTE, JR. * MARK 1, WEINBERGER (1946-2005) FRAN M. LAYTON RACHEL B. HOOPER ELLEN J. GARBER TAMARA S. GALANTER ANDREW W. SCHWARTZ ELLISON FOLK RICHARD S. TAYLOR WILLIAM J., WHITE ROBERT S. PERLMUTTER OSA L. WOLFF MATTHEW D. ZINN CATHERINE C. ENGBERG AMY J. BRICKER GABRIEL M.B. ROSS DEBORAH L. KEETH WINTER KING AMANDA R. GARCIA SENIOR COUNSEL

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LAUREL L. IMPETT, AICP CARMEN J. BORG, AICP URBAN PLANNERS

ANDREW W. SCHWARTZ SCHWARTZ@SMWLAW.COM (415) 552-7272 Ext. 247

April 29, 2010

Via U.S. Mail

Norman E. Matteoni Matteoni, O'Laughlin & Hechtman 848 The Alameda San Jose, CA 95126

e: 568 Howard Street (Block 3721, Lot 20) San Francisco

Dear Mr. Matteoni:

This firm represents the Transbay Joint Powers Authority (TJPA) on matters relating to the Transbay Transit Center Program (the "Transbay Program"). We are writing in response to your April 23, 2010 letter addressed to the TJPA's Executive Director regarding 568 Howard Street, San Francisco (the "Property").

Your letter repeats the contention in your October 19, 2009 correspondence that the TJPA's contact with tenants of the Property about the relocation assistance available to the tenants has damaged your client, and your client intends to seek precondemnation damages. As we explained in our December 18, 2009 correspondence, as a matter of well-settled law, your client is not entitled to precondemnation damages. Your April 23 letter provides no response.

Your letter continues to misstate the contents of the TJPA's correspondence with the tenants. Contrary to your suggestion, the TJPA has not notified the tenants of "the need to relocate" or notified the tenants "that they need to find a replacement site." Rather, and as we previously explained, the TJPA's letters inform the tenants that the TJPA has not yet acquired the Property, the tenants would only be required to relocate "if the TJPA"

Norman E. Matteoni April 29, 2010 Page 2

is successful in acquiring the property," and the tenants may continue to occupy the Property.

Your letter suggests that the TJPA intends to condemn the Property. That is incorrect. As we explained in our December 18 letter, the City and the TJPA have never announced an intent to condemn the Property; the City and the TJPA have not adopted a resolution of necessity under Code of Civil Procedure section 1245.220 to initiate condemnation proceedings for the Property.

In September 2009, the City and the TJPA made a joint offer to acquire the Property for the full value of the agencies' appraisal of the Property, and invited the owner to engage in a dialogue regarding the offer. In December 2009, having received no response to the offer, the TJPA again inquired whether the owner would be interested in communications with the TJPA regarding the offer. Your April 23 letter — more than seven months after the City/TJPA joint offer — informs the TJPA for the first time that the owner has rejected the offer. You have not provided any reason for the rejection, or any information that your client believes would affect the value determination. We would be pleased to consider any information your client would like to provide regarding the value of the Property.

On April 28, 2010, the TJPA received a telephone message from Rourke O'Neill, Ritchie Commercial, who we understand is the property owner's real estate broker. He inquired about matters related to the TJPA's offer to purchase the property. We assume that you will correspond with Mr. O'Neill as appropriate.

Very truly yours,

SHUTE, MIHALY & WEINBERGER LLP

Andrew W. Schwartz

cc: Kristen Jensen, Deputy City Attorney Maria Ayerdi-Kaplan, TJPA Paper copies of documents in the following categories are located in the Master Binders:

Studies and Reports

NEPA/CEQA

Transbay Legislation

	•	
File Nos. 101432 and 101433	60 Tehama (3736-088)	
File Nos. 101435 and 101436	564 Howard (3721-019)	
File Nos. 101438 and 101439	568 Howard (3721-020)	
File Nos. 101408 and 101409	85 Natoma #1 (3721-109)	
File Nos. 101411 and 101412	85 Natoma #2 (3721-110)	
File Nos. 101414 and 101415	85 Natoma #3 (3721-111)	
File Nos. 101417 and 101418	85 Natoma #4 (3721-112)	
File Nos. 101420 and 101421	85 Natoma #5 (3721-113)	
File Nos. 101423 and 101424	85 Natoma #7 (3721-115)	
File Nos. 101426 and 101427	85 Natoma #9 (3721-117)	
File Nos. 101429 and 101430	85 Natoma #C1 (3721-118)	
File Nos. 101441 and 101442	13 parking easement interests benefitted parcels: Block 3721, Lots 093-105 burdened parcels: Block 3721, Lots 109-118	

VOLUME I

TRANSBAY TERMINAL / CALTRAIN DOWNTOWN EXTENSION / REDEVELOPMENT PROJECT

in the City and County of San Francisco

FINAL ENVIRONMENTAL IMPACT STATEMENT/ ENVIRONMENTAL IMPACT REPORT AND SECTION 4(f) EVALUATION

Pursuant to

National Environmental Policy Act of 1969, §102 (42 U.S.C. §4332); Federal Transit Laws (49 U.S.C. §5301(e), §5323(b) and §5324(b)); Section 4(f) of the Department of Transportation Act of 1966 (49 U.S.C. §303); National Historic Preservation Act of 1966, §106 (16 U.S.C. §470f); 40 CFR Parts 1500-1508; 23 CFR Part 771; Executive Order 12898 (Environmental Justice); and California Environmental Quality Act, PRC 21000 et seq.; and the State of California CEQA Guidelines, California Administrative Code, 15000 et seq.

by the

U.S. DEPARTMENT OF TRANSPORTATION FEDERAL TRANSIT ADMINISTRATION

and the

CITY AND COUNTY OF SAN FRANCISCO, PENINSULA CORRIDOR JOINT POWERS BOARD, AND SAN FRANCISCO REDEVELOPMENT AGENCY BOARD OF SUPERVISORS
SANFRANCISCO
2010 NOV 24 AM 10: 27

March 2004









VOLUME II

TRANSBAY TERMINAL / CALTRAIN DOWNTOWN EXTENSION / REDEVELOPMENT PROJECT

in the City and County of San Francisco

FINAL ENVIRONMENTAL IMPACT STATEMENT/ ENVIRONMENTAL IMPACT REPORT AND SECTION 4(f) EVALUATION

RESPONSES TO PUBLIC COMMENTS ON THE

DRAFT ENVIRONMENTAL IMPACT STATEMENT/ DRAFT ENVIRONMENTAL IMPACT REPORT AND DRAFT SECTION 4(f) EVALUATION

by the

U.S. DEPARTMENT OF TRANSPORTATION FEDERAL TRANSIT ADMINISTRATION

and the

CITY AND COUNTY OF SAN FRANCISCO, PENINSULA CORRIDOR JOINT POWERS BOARD, AND SAN FRANCISCO REDEVELOPMENT AGENCY

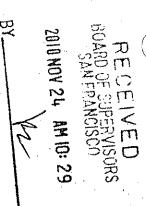
March 2004











VOLUME III

TRANSBAY TERMINAL / CALTRAIN DOWNTOWN EXTENSION / REDEVELOPMENT PROJECT

in the City and County of San Francisco

FINAL ENVIRONMENTAL IMPACT STATEMENT/ ENVIRONMENTAL IMPACT REPORT AND SECTION 4(f) EVALUATION

WRITTEN PUBLIC COMMENTS AND PUBLIC HEARING TRANSCRIPTS ON THE

DRAFT ENVIRONMENTAL IMPACT STATEMENT/ DRAFT ENVIRONMENTAL IMPACT REPORT AND DRAFT SECTION 4(f) EVALUATION

by the

U.S. DEPARTMENT OF TRANSPORTATION FEDERAL TRANSIT ADMINISTRATION

and the

CITY AND COUNTY OF SAN FRANCISCO, PENINSULA CORRIDOR JOINT POWERS BOARD, AND SAN FRANCISCO REDEVELOPMENT AGENCY

March 2004











U.S. Department of Transportation Federal Transit Administration

Mr. Michael J. Scanlon Executive Director Peninsula Corridor Joint Powers Board 1250 San Carlos Ave San Carlos, CA 94070 RECEIVED FEB 21 2005

REGION IX Arizona, California, Hawaii, Nevada, Guam 201 Mission Street Suite 2210 San Francisco, CA 94105-1839 415-744-3133 415-744-2726 (fax)

FEB 8 2005

PECEIVED

OARD OF SUBERVISORS

2010 NOV 24 MIO: 28

2010 NOV 24 MIO: 28

Re: Record of Decision; Transbay Terminal / Caltrain Downtown Extension / Redevelopment Project

Dear Mr. Scanlon:

This is to advise you that the Federal Transit Administration has issued a Record of Decision (ROD) for the Transbay Terminal / Caltrain Downtown Extension / Redevelopment Project. The comment period for the Final Supplemental Environmental Impact Statement closed May 4, 2004. The Federal Transit Administration's (FTA) Record of Decision (ROD) is enclosed.

Please make the ROD and supporting documentation available to affected government agencies and the public. Availability of the ROD should be published in local newspapers and should be provided directly to affected government agencies, including the State Inter-governmental Review contact established under Executive Order 12372.

Please note that if a grant is made for this project, the terms and conditions of the grant contract will require the grantee undertake the mitigation measures identified in the ROD.

Thank for your cooperation in meeting the NEPA requirements. If you have questions about our review, please call Mr. Jerome Wiggins at (415) 744-2819.

Sincerely,

Leslie T. Rogers

Regional Administrator

RECORD OF DECISION

Transbay Terminal / Caltrain Downtown Extension / Redevelopment Project
San Francisco, California

DECISION

The U.S. Department of Transportation, Federal Transit Administration (FTA), has determined that the requirements of the National Environmental Policy Act of 1969 (NEPA) have been satisfied for the Transbay Terminal / Caltrain Downtown Extension / Redevelopment Project (Project) in San Francisco, California. The Project to which this Record of Decision (ROD) applies consists of the design, construction, and future operation of a multimodal transportation terminal, underground rail access tunnel to the terminal, and redevelopment of the surrounding area.

The Project consists of three main components: a multimodal transportation terminal designed to serve local and regional buses as well as commuter rail and proposed high speed rail, an approximately 1.3 mile underground passenger rail extension from the existing Fourth and Townsend Caltrain Station to the new terminal, and transit oriented redevelopment of the area surrounding the terminal. The Project also includes support components such as a temporary bus terminal facility to be used during construction, a new, permanent off-site bus storage/layover facility, reconstructed bus ramps leading to the west end of the new Transbay Terminal, and a redesigned Caltrain storage yard.

The Project was adopted as the Locally Preferred Alternative by the Transbay Joint Powers Authority (TJPA) and was evaluated as the Refined West Loop Terminal / Second-to-Main Tunnel Alignment / Tunneling Option / Full Build Redevelopment in the Project's Final Environmental Impact Statement/Report (Final EIS/EIR) issued in March 2004. That Final EIS/EIR provides the complete description of the Project, which is the subject of this ROD. EPA published the Notice of Availability for the Final EIS/EIR on April 2, 2004, in the Federal Register. The local lead agencies for the Project are the City and County of San Francisco, and the Peninsula Corridor Joint Powers Board. The TJPA is the Project's sponsoring agency for all project components other than the Redevelopment Plan and will be responsible for building, operating, and maintaining the Project components related to the Transbay Terminal.

AGREEMENTS

FTA and TJPA have executed a Project Development Agreement (PDA) to set forth their intentions for compliance with FTA's Record of Decision and program requirements that will govern the Transbay Terminal / Caltrain Downtown Extension / Redevelopment Project. FTA and TJPA acknowledge that this agreement may be modified from time to time to accommodate statutory or regulatory changes, changes to the Project, or changes to TJPA's project management or financing plans, as necessary or appropriate. The executed PDA is attached (Appendix D).

TRANSBAY JOINT POWERS AUTHORITY BOARD OF DIRECTORS

Resolution No. <u>06-011</u>

WHEREAS, In April 2004, the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project Final Environmental Impact Statement/ Environmental Impact Report ("Final EIS/EIR") (SCH #95063004) was certified by the City and County of San Francisco, the Peninsula Corridor Joint Powers Board, and the San Francisco Redevelopment Agency; and

WHEREAS, In April 2004 the Board of Directors of the Transbay Joint Powers Authority ("TJPA") approved the Locally Preferred Alternative ("LPA") of the Transbay Transit Center Program ("TTCP"); and

WHEREAS, The TIPA Board desires to refine the design and phasing of the Transbay Terminal/Caltrain Downtown Extension component of the LPA (the "Refined Project"); and

WHEREAS, In December 2005, Staff presented the Recommended Program Implementation Strategy of the Refined Project to the TJPA Board; on March 16 and May 25, 2006, Staff again provided the TJPA Board with the Recommended Program Implementation Strategy, and the Final Massing Study for the Transit Center Building that further documented the Refined Project; and

WHEREAS, Pursuant to Section 15164 of the California Environmental Quality Act ("CEQA," Pub. Res. Code §§ 21000 et seq.) and the CEQA Guidelines, the TJPA has prepared an Addendum to the Final EIS/EIR, which contains an analysis of the environmental impacts that may result from the proposed refinement of the LPA; and

WHEREAS, The Refined Project would not trigger the need for subsequent environmental review pursuant to Section 21166 of the Public Resources Code and Section 15162 of the CEQA Guidelines; and

WHEREAS, The Refined Project would not require major revisions of the Final EIS/EIR due to new or substantially increased significant environmental effects; and

WHEREAS, No substantial changes have occurred with respect to the circumstances under which the revisions to the Refined Project would be undertaken that would require major revisions of the Final EIS/EIR due to new or substantially increased significant environmental effects; and

WHEREAS, There has been no discovery of new information of substantial importance that would trigger or require major revisions of the Final EIS/EIR due to new or substantially increased significant environmental effects; and

WHEREAS, The TJPA Board has considered the Final EIS/EIR along with the Addendum to the Final EIS/EIR; now, therefore, be it

RESOLVED, That the TJPA Board:

- 1. Certifies that the Addendum to the Final EIS/EIR has been completed in compliance with CEQA and reflects the independent judgment of the TJPA; and
- 2. Adopts the Addendum to the Final EIS/EIR.

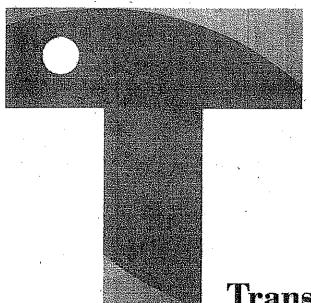
I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of June 2, 2006.

Secretary, Transbay Joint Powers Authority

Addendum for the Transbay Terminal/Downtown Extension/Redevelopment Project

Final Environmental Impact Statement/Report

May 25, 2006



Transbay Transit Center



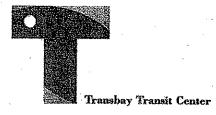
In association with Hatch Mott McDonald & EPC Consultants Consultants to the Transbay Joint Powers Authority



Transbay Program Final EIS Reevaluation

Updating the Transbay Program 2004 Final EIS for Adoption by the Federal Railroad Administration

May 2010



FEDERAL RAILROAD ADMINISTRATION RECORD OF DECISION FOR THE

TRANSBAY TRANSIT CENTER TRAINBOX

DECISION

The United States Department of Transportation, Federal Railroad Administration (FRA) has determined that the requirements of the National Environmental Policy Act (NEPA), 42 U.S.C. §§ 4321 et seq., have been satisfied for the train box at the Transbay Transit Center ("TTC" or "Transit Center") in San Francisco, California.

This decision has been made in accordance with the provisions of NEPA, which requires Federal agencies to integrate environmental values into their decision making processes by considering the environmental impacts of their proposed actions, reasonable alternatives to those actions, and integrating public participation into the process. This document sets forth the Record of Decision of FRA for the granting of Federal funds for the train box at the TTC. In making this decision, FRA considered the entire record, including the information, analysis, and public comments contained in the portions of the Final Environmental Impact Statement/Environmental Impact Report ("2004 EIS") for the Transbay Terminal/Caltrain Downtown/Extension Redevelopment Project ("Transbay Program") that cover Phase 1 of the Transbay Program, which was completed by the Federal Transit Administration ("FTA"). In addition, FRA prepared and has relied upon the May 28, 2010 Transbay Program Final EIS Reevaluation ("Environmental Reevaluation") of the Phase 1 portions of the 2004 EIS. Through the analysis contained in both the 2004 EIS and the Environmental Reevaluation, FRA has taken the requisite "hard look" at potential environmental impacts and has identified and independently evaluated the potential environmental effects associated with the project's alternatives.

This ROD has been drafted in accordance with NEPA, the Council on Environmental Quality (CEQ) Regulations implementing NEPA (most specifically 40 C.F.R. § 1505.2), and FRA's Procedures for Considering Environmental Impacts, 64 Fed. Reg. 28545 (May 26, 1999).

INTRODUCTION

FRA's proposed action is to provide up to \$400 million of funding under the American Recovery and Reinvestment Act of 2009 ("Recovery Act") to the Transbay Joint Powers Authority ("TJPA") to fund construction of a train box to accommodate future high-speed train ("HST") service at the TTC, which is an element of Phase 1 of the Transbay Program.

FTA and TJPA prepared the 2004 EIS as a joint environmental impact statement/environmental impact report to satisfy both the requirements of NEPA and the California Environmental

Transbay Transit Center Trainbox FRA Record of Decision

¹ An Environmental Impact Report (EIR) is an environmental document required under the California Environmental Quality Act (CEQA).



Caltrain Downtown Extension and Transbay Ridership Analysis

report

prepared for

Transbay Joint Powers Authority

prepared by

Cambridge Systematics, Inc.



Final Relocation Impact Study

September 2007



Final Relocation Impact Study II

January 2010



Relocation Assistance Brochure

Rights and Benefits Under the TJPA's Relocation Assistance Program for Businesses and Nonprofit Organizations

This brochure summarizes the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. Section 4601 et seq., and its implementing regulations, 49 Code of Federal Regulations (CFR) Part 24, and the California Relocation Act, Govt. Code Section 7260 et seq., and its implementing regulations, 25 Cal. Code Regs. Section 6000 et seq.

Much of the content of this brochure was provided by The United States Department of Transportation, Federal Highway Administration, Office of Real Estate Services, Publication Number FHWA-HEP-05-031.



Residential Relocation Assistance Brochure

Rights and Benefits under the TJPA's Relocation Assistance Program for Residential Occupants

This brochure summarizes the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. Section 4601 et seq.; and its implementing regulations, 49 Code of Federal Regulations (CFR) Part 24, and the California Relocation Act, Govt. Code Section 7260 et seq., and its implementing regulations, 25 Cal. Code Regs. Section 6000 et seq.

JOINT POWERS AGREEMENT

creating the

TRANSBAY JOINT POWERS AUTHORITY

The City and County of San Francisco, a municipal corporation and charter city and county duly organized and existing under its Charter and the Constitution of the State of California (the "City") and the Alameda-Contra Costa Transit District, a transit district duly organized and created in accordance with the Public Utilities Code of the State of California (commencing with Section 24501) (the "District") and the Peninsula Corridor Joint Powers Board-Caltrain, a joint exercise of powers agency comprised of the City and County of San Francisco, San Mateo County Transit District, and Santa Clara Valley Transportation Authority, duly created and organized in accordance with the Government Code of the State of California (commencing with Section 6500) (the "JPB") all of which entities shall be referred to herein collectively as the "Members," hereby enter into this Joint Powers Agreement (this "Agreement") creating the Transbay Joint Powers Authority (the "Authority"). All Members are public entities organized and operating under the laws of the State of California and each is a public agency as defined in Section 6500 of the Government Code of the State of California.

Recitals

- A. The State of California Department of Transportation currently operates and manages a bus transportation terminal in the City commonly known as the Transbay Terminal (the "Old Transbay Terminal") located on the site described in Exhibit A (the "Site").
- B. The Members recognize that the Old Transbay Terminal is underutilized and blighted, and can be developed to provide for regional, seamless, intermodal transit connections.
- C. Pursuant to Chapter 5, Division 7, Title 1 of the Government Code of the State of California the Members may jointly exercise any power common to them.
- D. The Members desire to jointly participate in the construction, development and operation of a new regional transit hub and related structures and ramps which will provide expanded bus and rail service and direct access to transit located in a new terminal building on the Site and/or property adjacent to the Site including bus storage/staging facilities in the vicinity of the Site, together with all necessary and essential ramps for access to and from the San Francisco-Oakland Bay Bridge from the new terminal building and to and from the bus storage/staging facilities, as well as a temporary bus facility with access to and from the San Francisco-Oakland Bay Bridge, all of which is more efficient and convenient for buses, trains, and the passengers using those systems.
- E. The Members intend to develop and construct a new transportation terminal on the Site, direct access ramps, links to regional transportation systems which includes the downtown extension of Caltrain from 4th and Townsend Streets to the new transportation terminal, a temporary terminal for use during construction of the new terminal, bus storage, and other facilities needed to develop the Site and/or property adjacent to the Site to its highest and best use.
- F. The Members intend to operate and manage the new transit terminal and related facilities (including but not limited to necessary bus storage/staging facilities and connecting ramps)

SF R45 #1 11/2/99 (9901)

city and County of San Brancisco. Voter Information Pamphlet

and Sample Ballot

solidated Minicipal Electics November 2, 1999

Check the back cover of this pamphlet for your polling place address.

Prepared by the Department of Elections

City and County of San Francisco

990

Sales Tax for Transportation



PROPOSITION K

Shall the City implement a 30-year New Transportation Expenditure Plan directing transportation sales tax funds to improved maintenance of local streets, transportation for the elderly and disabled, the Central Subway, a citywide network of fast and reliable buses, the Caltrain Extension to a new Transbay Terminal, improvements to pedestrian and bicycle safety and other projects and continue the existing half-cent sales tax during implementation of the New Transportation Expenditure Plan and future Plan updates?



Digest

by the Ballot Simplification Committee

THE WAY IT IS NOW: The City charges a one-half cent sales tax to help pay for the transportation projects described in a spending plan approved by the voters in 1989. This tax will expire on April 1, 2010.

The San Francisco Transportation Authority directs use of the sales tax money. It can spend up to \$160 million (\$160,000,000) per year for the approved transportation projects, and can issue up to \$742 million (\$742,000,000) in bonds.

THE PROPOSAL: Proposition K is an ordinance that would continue the one-half cent sales tax, and replace the current transportation spending plan with a new, 30-year plan. Under the new plan, the money would be used for:

- · Maintenance of local streets:
- · Transportation for the elderly and disabled;
- · Construction of a Central Subway;
- Upgrades to the bus system, including new buses, stations and dedicated lanes;
- · A Caltrain extension to a new Transbay Terminal;
- · Projects to improve pedestrian and bicycle safety;
- Support for regional transportation systems (BART, Caltrain, and ferries); and
- · Replacing the roadway to Golden Gate Bridge (Doyle Drive).

The Transportation Authority could modify the plan if voters approved. The sales tax would continue as long as the new or modified plan is in effect.

The Transportation Authority would continue to direct use of the sales tax. It could spend up to \$485.175 million (\$485,175,000) per year and issue up to \$1.88 billion (\$1,880,000,000) in bonds, to be repaid from the one-half cent sales tax.

A two-thirds majority vote is required to approve this measure.

A "YES" VOTE MEANS: If you vote "Yes," you want to continue the one-half cent sales tax to pay for transportation projects described in a new 30-year spending plan, or future plans, and increase the amount of money the Transportation Authority may spend and borrow to pay for these projects.

A "NO" VOTE MEANS: If you vote "No," you do not want to make these changes.

Controller's Statement on "K"

City Controller Edward Harrington has issued the following statement on the fiscal impact of Proposition K:

Should the proposed ordinance be approved by the voters, the City would continue to collect an existing one-half cent sales tax dedicated to transportation projects. Revenue from this tax would also be used to match federal, state and regional transportation funding.

The current authorization for this tax expires March 31, 2010. The proposed ordinance would replace the current authorization with a new a 30-year authorization effective April 1, 2004 through March 31, 2034. The additional sales tax revenue which would be generated is approximately \$2.5 billion over the 30 year period.

How "K" Got on the Ballot

On July 29, 2003 the Board of Supervisors voted 11 to 0 to place Proposition K on the ballot.

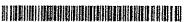
The Supervisors voted as follows:

Yes: Supervisors Ammiano, Daly, Dufty, Gonzalez, Hall, Ma, Maxwell, McGoldrick, Newsorn, Peskin, and Sandoval.

THIS MEASURE REQUIRES 66%% AFFIRMATIVE VOTES TO PASS.

ARGUMENTS FOR AND AGAINST THIS MEASURE IMMEDIATELY FOLLOW THIS PAGE. THE FULL TEXT BEGINS ON PAGE 151. SOME OF THE WORDS USED IN THE BALLOT DIGEST ARE EXPLAINED ON PAGE 28.

38-CP143-364291-NE



Regional Measure 2



REGIONAL MEASURE 2

Shall voters authorize a Regional Traffic Relief Plan that does the following:

ES



- 1. Directs revenues generated through the collection of bridge tolls to provide the following projects:
 - a. Expand and extend BART.
 - b. New transbay commuter rail crossing south of the San Francisco-Oakland Bay Bridge.
 - c. Comprehensive Regional Express bus network.
 - d. New expanded ferry service.
 - e. Better connections between BART, buses, ferries, and rail.
- Approves a one dollar (\$1) toll increase effective July 1, 2004, on all toll bridges in the bay area, except the Golden Gate Bridge?

ARGUMENTS FOR AND AGAINST THIS MEASURE IMMEDIATELY FOLLOW THIS PAGE

THIS MEASURE REQUIRES 50%+1 AFFIRMATIVE VOTES TO PASS.

ARGUMENTS FOR AND AGAINST THIS MEASURE IMMEDIATELY FOLLOW THIS PAGE.

GALIFORNIA GENELLA GEN

The statutory deadline for placing legislative and initiative measures on the ballot was June 26.

However, a new state law that passed after the deadline requires that Proposition 1 be removed from the ballot and be replaced by Proposition 1A. Therefore, although you are receiving information about both measures in the two state voter guides, only Proposition 1A will appear on your November 4, 2008, General Election ballot.

OFFICIAL VOTER INFORMATION GUIDE

Certificate of Correctness

I, Debra Bowen, Secretary of State of the State of California, do hereby certify that the measure included herein will be submitted to the electors of the State of California at the General Election to be held throughout the State on November 4, 2008, and that this guide has been correctly prepared in accordance with the law.

Witness my hand and the Great Seal of the State in Sacramento, California, on this 18th day of September, 2008.

Debra Bowen
Secretary of State

SUPPLEMENTAL *

This guide contains information
regarding one additional measure
regarding one additional measure
that has qualified for the November ballot.

Senate Bill No. 1856

CHAPTER 697

An act to add Chapter 20 (commencing with Section 2704) to Division 3 of the Streets and Highways Code, relating to financing a high-speed passenger train system by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds.

[Approved by Governor September 19, 2002. Filed with Secretary of State September 19, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1856, Costa. Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century.

Existing law creates the High-Speed Rail Authority with the responsibility of directing the development and implementation of

intercity high-speed rail service.

This bill would enact the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, which, subject to voter approval, would provide for the issuance of \$9.95 billion of general obligation bonds, \$9 billion of which would be used in conjunction with available federal funds for the purpose of funding the planning and construction of a high-speed train system in this state pursuant to the business plan of the authority. Nine hundred fifty million dollars of the bond proceeds would be available for capital projects on other passenger rail lines to provide connectivity to the high-speed train system and for capacity enhancements and safety improvements to those lines. Bonds for the high-speed train system would not be issued earlier than January 1, 2006

The bill would provide for the submission of the bond act to the voters at the general election on November 2, 2004.

The people of the State of California do enact as follows:

SECTION 1. (a) In light of the events of September 11, 2001, it is very clear that a high-speed passenger train network as described in the High-Speed Rail Authority's Business Plan is essential for the transportation needs of the growing population and economic activity of this state.

(b) The initial high-speed train network linking San Francisco and the Bay Area to Los Angeles will serve as the backbone of what will become

Senate Bill No. 916

CHAPTER 715

An act to amend Section 14531 of the Government Code, to amend Sections 182.5, 188.3, 188.4, 188.10, 30101, 30101.8, 30113, 30600, 30601, 30604, 30606, 30750, 30751, 30760, 30761, 30791, 30884, 30885, 30887, 30889.3, 30891, 30894, 30910, 30912, 30913, 30915, 30916, 30918, 30919, 30920, 30950, 30950.1, 30950.2, 30950.3, 30950.4, 30953, 30958, 30960, 30961, 31000, 31010, and 31071 of, to amend and renumber Section 188.10 of, to add Sections 188.53, 30881, 30910.5, 30914.5, and 30922 to, and to repeal Sections 30603, 30605, 30608.2, 30752, 30753, 30754, 30755, 30756, 30757, 30762, 30762.5, 30763, 30764, 30764.5, 30765, 30766, 30767, 30791.7, 30792, 30792.2, 30793, 30794, 30795, 30886, 30888, 30889, 30896, and 30956 of, to repeal Article 5 (commencing with Section 30200) and Article 7 (commencing with Section 30350) of Chapter 1 of Division 17 of, to repeal and add Sections 30102.5, 30890, 30911, 30914, 30917, 30921, and 30951 of, the Streets and Highways Code, and to amend Section 5205.5 of the Vehicle Code, and to amend Section 5 of Chapter 898 of the Statutes of 1997 relating to transportation, and making an appropriation therefor.

> [Approved by Governor October 8, 2003. Filed with Secretary of State October 9, 2003.]

LEGISLATIVE COUNSEL'S DIGEST

SB 916, Perata. Toll bridge revenues: Treasure Island Development Authority.

Existing law generally makes the California Transportation Commission responsible for establishing the rates charged vehicles for crossing the state-owned toll bridges. Under existing law, the Metropolitan Transportation Commission (MTC) is authorized to adopt a toll schedule in lieu of the one adopted by the California Transportation Commission for the state-owned toll bridges in the San Francisco Bay Area. Existing law makes the MTC and the Bay Area Toll Authority (BATA), which is defined as the same body as the MTC, responsible for the programming, administration, and allocation of the revenue from the base toll charge collected from these bridges. Under existing law, a portion of this revenue is continuously appropriated to the Controller who is required to disburse these funds to the MTC to expend for purposes that reduce vehicular congestion on the bridges.