

## OCII DRAFT 10-31-14 PARCEL F

NOTE: THIS DRAFT OF THE SUBORDINATION OF OPTION AGREEMENT HAS NOT BEEN PREPARED IN RECORDABLE FORM, BUT THE SUBORDINATION (OR A MEMORANDUM THEREOF) WILL NEED TO BE RECORDED IN THE REAL PROPERTY RECORDS.

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

THIS SUBORDINATION OF OPTION AGREEMENT FOR THE PURCHASE AND SALE OF REAL PROPERTY (this “**Subordination**”) is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 2014, by and among the TRANSBAY JOINT POWERS AUTHORITY, a joint powers authority created pursuant to an agreement among the City and County of San Francisco, the Alameda-Contra Costa Transit District and the Peninsula Corridor Joint Powers Board (Caltrain) and under the California Joint Exercise of Powers Act, codified at California Government Code Sections 6500 *et seq.* (“**Borrower**”), GOLDMAN SACHS BANK USA, as collateral agent on behalf the Secured Parties (as defined in the below-described Credit Agreement) (together with its successor and assigns in such capacity, “**Collateral Agent**”), and the CITY AND COUNTY OF SAN FRANCISCO OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE, serving as the successor agency to the Redevelopment Agency of the City and County of San Francisco, a public body corporate and politic of the State, established pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code Sections 33000 *et seq.*) (“**Agency**”).

**RECITALS:**

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

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

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

D. Pursuant to certain affordable housing requirements (the “**Transbay Affordable Housing Obligation**”), as described in Section 5027.1 of the California Public Resources Code, the Redevelopment Plan for the Transbay Redevelopment Project Area approved by Ordinance No. 124-05, adopted by the Board of Supervisors of the City and County of San Francisco (“**City**”) on June 21, 2005 and Ordinance No. 99-06 adopted by the Board of Supervisors of the City on May 9, 2006 (the “**Redevelopment Plan**”), and that certain Transbay Redevelopment Project Implementation Agreement, dated as of January 20, 2005 (the “**Implementation Agreement**”), between the Borrower and the former Redevelopment Agency of the City and County of San Francisco (“**Former Agency**”), Agency’s predecessor in interest, and finally and conclusively determined by the California Department of Finance to be an enforceable obligation under Redevelopment Dissolution Law, Part 1.85 (commencing with Section 34170) of the California Health and Safety Code (the “**Redevelopment Dissolution Law**”), the Project Area (as defined in the Redevelopment Plan) must be developed with a sufficient number of units of affordable housing necessary to achieve the Transbay Affordable Housing Obligation. Nothing in this Subordination shall affect this Transbay Affordable Housing Obligation with respect to the Property.

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

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

#### AGREEMENT:

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

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

2. Termination. At such time as the Obligations are paid in full, this Subordination and all of Collateral Agent’s right, title and interest hereunder and the Instrument shall terminate (“**Termination**”). On or as soon as practicable following the date of Termination, Collateral Agent shall provide a document in form reasonably acceptable to each of Collateral Agent, Borrower and Agency to release the Property from this Subordination and the Instrument, which document Borrower and/or Agency may record in the Official Records of the City and County of San Francisco.

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

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

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

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

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

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

Property, the purchaser or purchasers and their successors and assigns, and the Property, shall continue to be subject to all of the conditions, restrictions and covenants provided in the Declaration of Restrictions; and, consistent with its enforceable obligations under the Redevelopment Dissolution Law, Agency retains full authority to determine the infrastructure, affordable housing, and open space requirements that apply to any development on all or any portion of the Property to meet the Transbay Affordable Housing Obligation and implement the Redevelopment Plan.

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

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

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

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

deposited for overnight delivery with any reputable overnight courier service, or (c) three (3) Business Days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Borrower:

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

With a copy to Borrower's Legal Counsel:

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

If to Collateral Agent:

If to Agency:

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

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

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

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

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

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

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

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

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

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

[Signature page to follow]

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

**BORROWER:**

**TRANSBAY JOINT POWERS AUTHORITY,**  
a Joint Powers Agency

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 2014, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of the Notary Public

(Seal)

[SIGNATURES CONTINUED ON FOLLOWING PAGE]



[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

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

**AGENCY:**

**CITY AND COUNTY OF SAN FRANCISCO  
OFFICE OF COMMUNITY INVESTMENT AND  
INFRASTRUCTURE**, a public body corporate and  
politic

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 2014, before me, \_\_\_\_\_, a Notary Public,  
personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory  
evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged  
to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their  
signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted,  
executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of the Notary Public

(Seal)

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

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

**COLLATERAL AGENT:**

**GOLDMAN SACHS BANK USA**, as Collateral Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 2014, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of the Notary Public

(Seal)

**THE CITY AND COUNTY OF SAN FRANCISCO HEREBY  
ACKNOWLEDGES THE FOREGOING SUBORDINATION  
OF OPTION AGREEMENT:**

**CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation

By: \_\_\_\_\_  
Name: John Updike  
Its: Director of Property

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 2014, before me, \_\_\_\_\_, a Notary Public,  
personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory  
evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged  
to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their  
signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted,  
executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of the Notary Public

(Seal)

**EXHIBIT A**

**LEGAL DESCRIPTION OF PROPERTY**

[To be attached.]

620905.25